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NEWS SUMMARY

GENERAL

Carter plans draft for women

President Carter proposed the registering of young U.S. women for non-combat military service as well as men for combat duty if Soviet tensions warranted a call-up.

The Government would start by registering 19- and 20-year-*olds of both sexes*, and under Mr. Carter's scheme, everyone would have to register on their *18th birthday*.

But the President's plan drew quick opposition in Congress, and *predictions* that it will be rejected when discussed in detail on Monday. **Back Page**

Callaghan boost

Labour's commission of inquiry decided to give top priority to rebuilding the party's membership and finances in a move which represents a significant success for party leader James Callaghan's attempts to check the Left's bid for power. **Back Page**

Welsh flooding

Torrential rain brought flooding to many parts of Wales. Rivers overflowed, the village of Ystradgynlais, Powys, had to be evacuated, and the RAC reported several flooded roads in Pembrokeshire, Glamorgan and Carmarthen.

Mugabe aide hurt

A senior official of Robert Mugabe's party his wife and baby, were injured in a petrol bomb attack on their Salisbury home. In east Rhodesia, where Mugabe's forces are active, UK election supervisors reported widespread intimidation of black voters.

Farm earnings

Ministry of Agriculture's review of UK farming last year, published in a White Paper, forecasts that net income for the year will show a fall of 5.5 per cent at current prices or 17 per cent in real terms. **Back Page**

Corrie protest

Police fought a running battle outside the House of Commons with thousands of women protesting at the Corrie Bill on abortion. Police reinforcements were called in when women tried to sit in front of traffic. **Delays hit Abortion Bill. Page 3**

Adamson charge

A 23-year-old herdsman was charged with the murder of naturalist Joy Adamson in the Shaba Game Reserve, Kenya, last month.

Vietnam shuffle

Vietnam replaced General Vo Nguyen Giap, architect of the French defeat in Indochina *in* 1954, and other ageing leaders, with younger men in its most sweeping Government changes in 25 years.

Irish corker

A *jewellery store owner just* grinned when hooded raider Eddie McAlea burst in and *shouted: "This is a stick up."* For the Irishman had forgotten to take the cork out of the end *of his toy gun, a court heard.*

Briefly . . .

Two RAF pilots were killed when their Buccaneer jets crashed during a training *exercise near Las Vegas.*

Leslie Welch, who astounded television viewers with his powers of memory in the 50s, died in Ruislip, West London, aged 72.

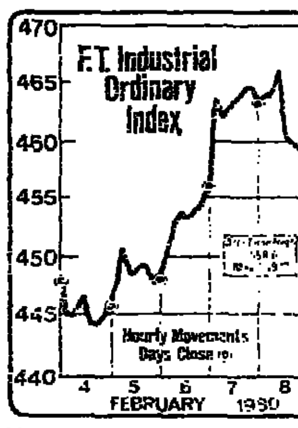
Briton Celia Adams, 25, was found shot dead in southern *Brazil.*

Woman left £100 in he will to give 75 Merseyside police dogs meals of prime steak.

BUSINESS

Equities, gilts and sterling ease

● **EQUITIES** trading was dampened by the steel talks breakdown. Though the FT *30-share index was 1.5 down on* the day at 461.4, it was still 13.6 up on the week.



● **GILTS** started firm, but early gains were pared down and the Government Securities index closed 0.48 up at 66.53.

● **STERLING** lost a little ground in quiet trading and closed at $2.2985, a los of 15 points on the day. Its trade weighted index fell to 72.8 (72.9). **DOLLAR** again traded within a narrow range and its index rose 0.2 to 85.1.

● **GOLD** was unchanged at $697.5 in London.

● **WALL STREET** was up 5.89 at 891.38 near the close.

● **SUGAR MARKET** in London *staged its biggest upsurge since* the 1974-75 boom on reports that Cuba's crop would be 1m tonnes *down this year due to disease* and other problems. **Back Page**

● **POST OFFICE** engineers are to go to arbitration on a claim for increases of about 10 per cent as the second stage of their 1979 pay deal. This gave 126,000 engineers an average increase of 16 per cent, 2 per cent productivity pay and other improvements. **Page 4**

● *METAL BOX* will continue lay-offs next week, because of tin-plate stock shortage due to *the steel strike. Nearly a third* of the 15,000-strong workforce will be affected. **Page 4**

● **STONE-PLATT**, the engineering group, is to close its Oldham textile machinery plant at the end of the year. **Page 4**

● **SOCIETE GENERALE**, one of the three French state-owned banks, plans a rights issue. The move marks a programme of limited denationalisation. **Page 21**

● *POLAND registered an unprecedented 2 per cent decline* in its national income last year, *raising doubts about its ability* to service its $18.5bn foreign debt. **Back Page**

● **BURMEISTER AND WAIN**, the shipping and industrial group, have been told by Mr. Jan Bonde Nielsen, who holds a controlling shareholding, that he will call a meeting of shareholders to dismiss the board. **Page 21**

● **IMPERIAL GROUP** has obtained liquor licence approvals from 36 U.S. states as part *of its $630m (£274m)* takeover of the Howard Johnson hotel and restaurant chain. **Page 16**

● **VECTIS STONE** Group's $2m (£919,000) acquisition of 89 per cent of Columbia Products Company from *Solid Investments of* the U.S. will be financed partly by a loan from Lloyd's Bank and partly by a share placing. **Page 16**

● **BRITISH CARGO AIRLINES**, formed last year by the merger of IAS Cargo Airlines and *Transmeridian Air Cargo*, incurred a first-half loss of £805,000 and does not expect a profit in the next six *months*. **Page 2**

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless *otherwise indicated*)

RISES		
Excheq. 3% 1984	£69¾	+ ⅜
Treas. 10% 1992	£76¼	+ ⅜
Avana	121	+ 9
British Sugar	144	+ 5
British Vita	157	+ 6
Caffyns	179	+ 6
Cawoods	192	+ 16
Davis (Godfrey)	141	+ 5
Decca	580	+ 30
Farnell Elect.	282	+ 6
Intl. Thomson	454	+ 20
Muirhead	217	+ 11
Needlers	53	+ 10
Newmark (Louis)	290	+ 5
Sidlaw	93	+ 8
Sketchley	245	+ 5
Guthrie	767	+ 10
Aran Energy	342	+ 38
Premier Cons.	80	+ 11½
Siebens (UK)	756	+ 52
Tricentrol	310	+ 18
Central Pacific	£23½	+ 1½
Conzinc Riotinto of Aust.	318	+ 20
North Broken Hill	185	+ 21
Otter Exploration	143	+ 37
Peko-Wallsend	478	+ 13
Samantha	112	+ 14

FALLS		
Bambers	86	− 8
Bolton Textile	35	− 3
Fisons	274	− 11
Grattan Warehouses	94	− 6
Metal Box	248	− 6
Midland Bank	362	− 10
Sothebys	507	− 8
Steel Bros.	148	− 12
Bertam Cons.	66	− 5

ACAS CALLED IN AFTER ANGRY MEETING

Unions walk out of steel peace talks

BY CHRISTIAN TYLER, LABOUR EDITOR

THE STEEL strike took a serious turn for the worse yesterday, the first negotiations with the principal unions for more than six weeks collapsed and the strikers prepared for a bitter siege of the British Steel Corporation.

The Advisory, Conciliation and Arbitration Service is trying to salvage what it can from the wreckage of a meeting which ended with anger and recrimination on both sides.

Mr. Bob Scholey, BSC's chief executive, appealed to ACAS after the 70 negotiators from the Iron and Steel Trades Confederation and the National Union of Blastfurnacemen walked out on him complaining that a promised new offer had not materialised.

ACAS was trying to contact Mr. Bill Sirs, general secretary of the ISTC, even as he was warning that the pay strike could merge with action threatened against BSC's plant closure plans and produce a much worse revolt.

Private steel companies, nearly all of whom have been hit by sympathetic action, and BSC's customers reacted with alarm as the prospect of peace by the end of next week so confidently expected by Mr. Sirs on Wednesday night was suddenly obliterated.

It will be extremely difficult for Mr. Sirs to get his negotiators back into talks, and the strike could drag on to the point where the effects begin to be felt throughout industry.

The collapse of negotiations after only a short meeting was blamed by the BSC on a misunderstanding by Mr. Sirs and Mr. Smith of a formula outlined in private talks in Luxembourg at the start of the week.

But Mr. Sirs last night was *adamant that he had fully* understood the new offer discussed in Luxembourg and that the BSC, for one reason or another, had refused to put it on the table.

Sheppey's model of modern steel plant, Page 4
Strike effects, Page 4

The Corporation held out a 9 per cent increase at national level, including the reintroduction of a 2 per cent rise to buy out incomes policy supplements—the 2 per cent that sparked the strike off.

It then offered 4 per cent as a guaranteed minimum to be paid weekly if local productivity bargains were reached.

Mr. Sirs said last night he had been told in Luxembourg that the 9 per cent and 4 per cent would be both "on the table" as an increase in basic rates for all steelworkers from January 1, the due settlement date. He had understood that the 4 per cent had now become a "lead-in" payment — the unions' price for allowing local negotiations on a new kind of bonus scheme to go ahead.

One possible explanation for the row is that the presentation of the argument yesterday went wrong and that BSC had intended to work up gradually to the kind of formula Mr. Sirs described, but started out with an offer little different from the last.

Mr. Scholey and Dr. David Grieves, managing director of personnel, insisted that Mr. Sirs had just got it wrong. Mr. Scholey accused him of "kite-flying" and raising false expectations by his remarks to the Press earlier this week.

Sir Charles Villiers, BSC chairman, said that as the strike continued less money would be available. He agreed that it would be difficult, and perhaps impossible for the BSC to meet its break-even target date. "We will have to wind down our stocks and make disposals," he said. He referred to Shotton and Consett as possible candidates for sale.

Mr. Sirs said he would never have brought his negotiators to London on the basis of the offer put in front of them yesterday. He said the union would "prosecute the strike with the greatest intensity within the law of the country."

Asked about the rank and file threat in some areas to withdraw safety cover, he said the union's executive had firmly said that cover should be maintained.

Freddie Mansfield

Mr. Bill Sirs explains why the talks broke down.

Support for Robinson may soon close Longbridge

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

THE TRANSPORT *and* General Workers' Union last night threw its full support behind Mr. Derek Robinson, *the dismissed* BL Cars convener, in a move which increases the likelihood of a complete shutdown of the Longbridge plant early next week.

The West Birmingham district committee of the Amalgamated Union of Engineering Workers—Mr. Robinson's union—was meeting late last night to plan details of how to implement its executive decision to withdraw the 8,000 members at Longbridge.

The action is in protest at BL's decision to refuse to reinstate Mr. Robinson, who was sacked last November for puttin ghis name to a document urging opposition to the company's rationalisation plan.

BL, which was distributing literature in the Longbridge plant yesterday arguing the *case for its tough stance*, believes workers will not give full support to Mr. Robinson.

Union leaders also have their doubts about the extent of support, particularly as emotions have cooled since the original walk-out last November at the time of Mr. Robinson's dismissal.

However, the support of the TGWU, whose delivery drivers can prevent products leaving or entering the plant, is crucial.

Mr. Brian Mathers, Midlands secretary of the TGWU, declared: "If AUEW members stage a strike, we will support Mr. Robinson with all the efforts we can muster."

Mr. Mathers said the TGWU which had declared the original strike official had merely suspended its action, while the engineering union conducted its inquiry.

An official AUEW and TGWU picket on the gates at the beginning of a shift could quickly halt production at Longbridge. The delivery drivers would not cross picket lines regardless of how many BL employees had disobeyed the official instruction *and reported for duty.*

Mr. Ray Horrocks, BL Cars managing director, has warned that in addition to the 20,000 Longbridge workers affected by any dispute, another 30,000 employees would immediately have to be laid off.

● Austin Morris management is expected to refuse to recognise another controversial Left-wing shop steward, Mr. Alan Thornett, as a deputy senior steward at Cowley. Mr. Thornett came third out of 25 candidates for seven deputy senior steward posts but the company has not complied with a request for his recognition from the Transport and General Workers Union.

Picketing spread to customers

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

LEADERS of Midlands steel unions voted last night to ex*tend picketing to important* customers such as BL, Lucas, and Guest Keen and Nettle*folds.*

BL Cars denied last night a union claim that transport of Jaguar, Mini and Rover bodies out of Castle Bromwich, Birmingham, had been halted.

BL said heavy picketing had provoked disorderly scenes and caused some disruption, but car bodies were still moving.

Mr. Roy Bishop, *Midlands* divisional officer of the Iron and Steel Trades Confederation, said his strike committee felt "bitter and betrayed" at the breakdown of national pay talks. Accordingly they had decided to extend picketing from the steel manufacturers and stockholders to the principal customers.

Details of which companies could be most disrupted would be decided early next week.

Mr. Bishop said the number of pickets, already totalling 3,000 in the region, could be increased by urging more of the 18,000 workers on strike to join the action. The activity at Castle Bromwich had been intensified, and Transport and General Workers' Union members were refusing to cross the picket lines.

The strike committee had sent a telegram to Mr. Bill Sirs, the ISTC secretary, pledging 100 per cent support for the demand for a 20 per cent pay increase.

Mr. Steve Rankin, West Midlands director of the Confederation of British Industry, *said the planned extension of* picketing, if carried out, would reveal the steelworkers as "*nothing more than industrial hoodlums.*"

"It seems the tiny minority are prepared once again to sell their colleagues down the river for the sake of narrow self-interest."

Mr Derek Norton, chairman of the private steel company Hadfields, at Sheffield, was meeting Mr. Sirs last night to seek exemption from the sympathy action.

ISTC workers at the plant have already warned that if the strike is not settled by Sunday they will return to work anyway.

At another private plant, Sheerness Steel, on the Isle of Sheppy, Kent, ISTC members *have all along refused to walk* out.

Yesterday about 30 women *held a demonstration against* the "foreigners" from the Midlands and Yorkshire who are *picketing the gates in an* effort to shut the works.

£ in New York

—	Feb. 7	Previous
Spot	$2.3020-3030	$2.3145-3155
1 mth	0.78-0.74 dis	0.88-0.83 dis
3 mths	1.77-1.72 dis	1.85-1.80 dis
12 mths	4.15-4.00 dis	4.20-4.05 dis

Battle for Decca intensifies

BY CHRISTINE MOIR

GEC has again topped Racal Electronic's revised bid for Decca with a 50p per share in*crease in its cash offer and a* convertible loan stock alternative with a nominal value of *£97.9m.*

But Racal, whose latest tabled bid is worth £93.1m, is keeping its options open. It intends to make a statement on Monday following a board meeting yesterday, held "with a view to considering an increase in our offers."

The attitudes of Department of Trade officials are thought to be hardening towards a recommendation that the bids should be referred to the Monopolies Commission.

Meanwhile, institutional share*holders of Racal*, who are thought to control around 40 per cent of the shares, were *yesterday becoming openly* uneasy about the price Racal is contemplating paying for Decca. One major fund manager said yesterday: "We know that Racal wants and needs Decca, but it has to be at a realistic price."

GEC's new offer is 550p for *each voting share and 450p for* each "A" share. Alternatively shareholders may accept 585p *nominal of 8½ per cent convert*ible unsecured loan stock 1990-2 *for their voting shares or 480p worth for their "A" shares.*

The new offer sent Decca's shares rising to a new high of 580p, up 30p, and 440p, up 15p, respectively. Racal's shares, meanwhile, lost 1p to 215p and GEC gained 3p to close at 373p.

GEC explained its willingness to increase its offer price by saying that recent discussions with Decca "*have made even* more apparent the benefits to be gained through a close association" of Decca and Marconi.

It also gave a "categoric reassurance" that "the present terms of employment of all employees within Decca" would be fully safeguarded.

"The information provided by Decca," GEC said, "endorses the conviction that not only can the integrity and goodwill of the Decca electronics business be maintained, but the oppor-

Continued on Back Page
Lex, Back Page

Building society receipts below target

BY ANDREW TAYLOR

BUILDING SOCIETIES' net *receipts last month were £240m* —£80m more than in December but still well below the figure *the societies say they need to* meet current mortgage demand.

The provisional figures given *to building society managers* yesterday show net receipts in January lower than had been *hoped for earlier in the month.* At one stage a total of approaching £300m had been expected for January.

However the outcome is still significantly better than November's £134m and December's £161m.

The improvement reflects the traditional seasonal upturn in receipts after December withdrawals to meet Christmas spending. Societies are understood to have been particularly successful in attracting funds from small savers, during January.

But societies continue to have difficulty in attracting larger sums as a result of high interest rates offered elsewhere.

The new ordinary National Savings Certificate issued this month will add to competitive pressures. It has been estimated that the certificate could, over the next few months, absorb up to £300m that would normally be available to building societies.

The societies estimate that they will need average net receipts of £500m a month—on top of interest and capital repayments from existing borrowers—if they are to meet fully potential mortgage demand in 1980.

There is no sign of diminishing demand in spite of recent reports from some society branch managers, particularly in the South East, of indications that mortgage queues may have reduced slightly.

Mr. Clive Thornton, chief general manager of Abbey National Building Society, said yesterday that some people may have been discouraged from joining queues because of high interest rates and the general shortage of funds. But underlying pressure for home loan finance remained as great as ever.

Mr. Joe Bradley, a general manager at Nationwide Building Society, said there might have been less activity in the South East, reflecting the higher cost of houses there, but in other parts of the country demand for mortgages rose from the middle of January onwards.

CONTENTS

For latest Share Index phone 01-246 8026

OVERSEAS NEWS

Israeli army on alert as tension grows over Syria

BY DAVID LENNON IN TEL AVIV

ISRAEL has placed its army on the alert because of continuing uncertainty about Syria's intentions in Lebanon. The Israeli Defence Minister has declared that Israel is not seeking war with Syria but would not "sit quietly" if attacked.

The decision by the Syrian Government to redeploy its troops in Lebanon has increased tension in Israel. The Israelis have repeatedly denied Syrian claims that Israel is planning an attack but, in turn, suspect that Damascus may start military action against Israel.

Mr. Ezer Weizman, the Defence Minister said in a series of interviews with the Press yesterday: "We have ordered the army on to the alert and are studying what is happening in the Syrian camp.

"Israel has no interest in starting a war and no plans to attack Syria. We will make every effort to prevent an outbreak of hostilities and if all that is currently happening in Syria is a result of a fear of us, then they should calm down."

Clearly indicating that in the event of hostilities Israel would go on to the offensive, Mr. Weizman said: "Both the Russians and the Syrians know that we do not respond in the way others respond, and therefore I hope that they are reading us correctly."

The heightened tension of recent days was also reflected in a statement by Major Saad Haddad, commander of the Israeli-backed Christian militia in southern Lebanon, who said he expected a serious explosion within a few days.

He also complained that the Syrians had supplied the Palestinian guerrillas in the south with tanks and new artillery which were being used against his forces.

Norway to step up offshore bid

BY FAY GJESTER IN OSLO

NORWAY'S GOVERNMENT is to intensify its drive to "Norwegianise" the offshore oil and gas industry, according to an oil policy white paper published on Friday.

Foreign oil companies will increasingly be relegated to the role of paid consultants, with little influence over when or how new finds should be exploited.

Norwegian State control over oil and gas production will increase as new fields come on stream, because of the minimum 50 per cent stake given to Statoil (the State oil company) in more recent licence allocations.

Where possible, the Government will encourage use of Norwegian goods and services offshore, and aims at securing 75 per cent of this market for the country's business and industry. The white paper concedes that Norway's share of total deliveries will depend on the competitiveness of Norwegian companies.

The White Paper is the first for five years to survey Norwegian petroleum activity generally, as opposed to special aspects, such as safety offshore, drilling in Northern waters, or the development of particular fields.

The document signals no drastic new departures in Norwegian oil policy, but it emphasises two main trends in Government strategy — the move towards "Norwegianisation," and the growing participation of the State.

Increased state particpation is being achieved both through Statoil and Norsk Hydro, the Norwegian industrial and energy concern in which the state has a 52 per cent stake. "Hydro like Statoil, is a business instrument of the state," Mr. Bjartmar Gjerde, Norways Oil Minister stressed.

While Statoil would be given a "central role" in all future concession allocations, "reasonable room" would be made both for Hydro, and for Saga, the Norwegian private enterprise oil company, backed by a consortium of business, shipping and industrial companies.

The role of foreign oil companies would diminish. Rather than getting ownership stakes in new exploration licences, they would more probably be engaged as consultants and paid for their know-how

No change is foreseen in depletion policy. The Government intends to plan for a "moderate rate" of oil and gas extraction—defined by Parliament as not above 90m tons of oil equivalent annually.

Production—last year just under 40m tons of oil equivalent, will reach 70m in the 1980s and could rise to 90m in the second half of the 1990s.

EEC fight for electronics market

BY GILES MERRITT IN BRUSSELS

EUROPE'S eight major electronics corporations met in Brussels yesterday to review a European Community strategy outlined by the European Commission for capturing up to a third of the world market in electronics equipment by 1990.

The preliminary contact with Viscount Etienne Davignon, the EEC Industry Commissioner, follows backing given to the plan by EEC Heads of Government when they met in Dublin at the end of last year.

But Commission officials last night made clear that the discussions between the electronics producers and Viscount Davignon had not tackled any of the more sensitive political issues

A fundamental aim of the scheme is the abolition of national preferences being given to manufacturers by their own Governments. The Commission has proposed that an EEC preference should be instituted instead. Although some member states including the UK favour this, France is understood to be firmly opposed.

Standardisation of technical norms and regulations inside the EEC is another crucial point that will require negotiation, as will the creation of a community micro-electronics base—in effect an EEC "Silicon Valley" capable of competing with the U.S. and Japan.

Brazil to shake up state companies

BY OUR FOREIGN STAFF

A BIG shake-up is on the way in Brazil's state-sector companies, under measures announced by the Government's Economic Development Council yesterday.

At present, Brazil's foreign debt stands at $50bn, and the international financial community has expressed concern in recent months at problems in the country's economy. The annual inflation rate is running at 80 per cent. and the current account deficit for 1980 is expected to be about $7bn. Foreign borrowing requirements this year are being estimated at $12bn-$18bn.

The Government considers the state-owned corporations a suitable target for the imposition of cash limits and tighter control on financing generally.

The state companies have monopolies in such key areas as oil imports and exploration (Petrobras), mining (CRVD), iron and steel (Siderbras), electricity (Electrobras), and telecommunications (Telebras).

They grew rapidly in the early 1970s, ostensibly as a means of spurring economic development and diversifying the industrial base. They have had frequent recourse to foreign capital markets for their financing, to a point where they are now responsible for $14bn, or 28 per cent of the country's foreign debt.

Now they have had a ceiling placed on their foreign borrowing of $3.1bn, slightly lower than recent forecasts of $3.7bn. They must cover 80 per cent of their spending with sales revenue.

The council decided on a total budget allowance of Cr 3.1 trillion (£32bn) for the 221 state-owned companies, with Cr 1.14 trillion (£11.5bn) going on investment, and the rest being devoted to their running costs.

In another move to curb the inflationary tendancies of the corporations' activities, their non-oil imports, which last year cost $4bn (£1.7bn) or 30 per cent of the national total, cannot exceed $3.3bn (£1.4bn) this year, a figure 17 per cent down on 1979.

Arab Kings meet on Soviet threat

BY OUR RABAT CORRESPONDENT

THE conservative Arab monarchs, King Hassan of Morocco and King Khaled of Saudi Arabia, began talks yesterday in the Saudi city of Taif to hammer out a joint policy to counteract what is seen as a grave Soviet threat to the Arab and Moslem worlds following the military intervention in Afghanistan.

The problem is considered very urgent as King Hassan suddenly decided to fly to Taif without his trip being officially announced. Furthermore, since coup attempts in 1971 and 1972, the King has rarely travelled abroad.

He is accompanied by a large delegation including all leading members of the royal family, the closest Government and palace advisers and top military officials.

At the top of the agenda for the talks are the implementation of resolutions adopted by the Islamic Foreign Ministers in Islamabad. These call for the withdrawal of Soviet troops from Afghanistan and aid to Afghan resistance movements. The two Kings will also discuss the threat to Arab unity posed by Colonel Muammar Gaddafi.

Seeking a joint policy: Kings Khaled (left) and Hassan.

The "Madman of Tripoli," as Gadaffi is described in Morroco, is seen by the Moslem monarchs as aiding Soviet penetration into the Arab world with subversive enterprises in neighbouring states.

His interference in Egypt, Chad, Mali, Morocco and most recently Tunisia, is considered a serious menace to Arab unity and a destabilising influence which could only benefit the Kremlin.

Morocco's particular concern is that Libya provides financial aid and supplies arms (through Algeria) for the Polisario guerrillas fighting against Moroccan troops for possession of the former Spanish colony of Western Sahara.

The two kings are expected to co-ordinate their military and political policies for the Gulf area. This implies co-operation with the United States with whom both monarchs are on good terms. An "Islamic crescent of defence," from Kuwait to Pakistan is likely to be co-ordinated with Western forces in the area.

King Hassan will probably also appeal for aid to poorer Arab states like Tunisia and Morocco for defence purposes. As far as Morocco is concerned King Hassan is already assured of Saudi cash to pay $235m for 50 American combat aircraft which are to be used against the guerrillas in the Western Sahara.

Iranian students firm on hostages

BY SIMON HENDERSON IN TEHRAN

THE MILITANT students holding 50 American diplomats at the U.S. embassy in Tehran are sticking to their tough line on the hostages' release and share none of the new optimism apparent in Europe and the U.S.

The various hints of moves on the crisis, shown most recently in the postponement of U.S. plans for economic sanctions on Iran, have, nevertheless, generated some momentum. The ruling Revolutionary Council has discussed at least twice this week a possible commission to examine the Shah's rule and U.S. involvement in the country.

There appears to be a growing feeling in Iran that the crisis has gone on for too long. Certainly with the election of President Abol Hassan Bani-Sadr there is a sense that the authorities are now determined to exert their influence.

The students have attracted resentment because they have critcised the Government for actions not directly related to the crisis. The Government is also annoyed by collaboration between the students and Iran radio and television, illustrated in the broadcasting without official authority of student claims about American contacts with several revolutionary figures.

One immediate obstacle to a resolution of the problem is Ayatollah Khomeini's poor health. Without his word no radical move on the hostage crisis can be made.

The outcome of the urgently-called meeting is unknown, but it is thought to have been called to discuss internal Iranian political rivalry rather than the prospect of release for the hostages.

Robert Graham reports from Madrid: Iran remains anxious to achieve a negotiated settlement to the issue of its involvement in the French-led uranium enrichment consortium Eurodif. But the consortium has still not resolved the question of Iran's refusal to accept its share of enriched uranium at Eurodif's plant being built at Tricastin in southern France.

That is the upshot of two days of talks which ended here yesterday between Iran and other partners in Eurodif—Belgium, France, Italy and Spain.

Clark back in race to win Canada election

BY VICTOR MACKIE IN OTTAWA

MR. JOE CLARK, Canada's Prime Minister, is back in the race to win the general election on February 18, because Canadians have appreciated the help their embassy in Tehran gave to the six American diplomats who escaped from Iran.

Before that news broke, the polls had given the Liberal Party under Mr. Pierre Trudeau, Prime Minister from 1968 until 1979, a seemingly impregnable lead. Polls taken when the Canadian role in Tehran became known showed that gap to be narrowing.

Observers are forecasting the possibility of a minority Government to be formed either by Mr. Trudeau or by Mr. Clark's Progressive Conservatives, with the emphasis still on the first alternative.

The Tories have been complaining that fighting Mr. Trudeau has become like "punching a pillow." The former Prime Minister has been conducting a quiet campaign.

The ex-Prime Minister has said very little about policy matters, and when he did pronounce on energy — a central issue in Canadian politics — he kept his remarks studiously vague.

He even treated Canadians to the unusual spectacle of an office-seeker who would not give a press conference before being petitioned to do so by reporters accompanying him.

Mr. Clark has been standing pat on the Budget, over which his minority Government was defeated in December

A central provision was for a rapid rise in the price of petrol and crude oil. The latter had been kept well below world levels at the cost of ever-increasing subsidies.

While in office Mr. Trudeau was also committed to bringing the domestic price of crude oil to somewhere near world levels. He has made counter-proposals to those of the Clark Government without mentioning hard figures, except to say that crude oil should rise by less than C$4 this year.

Colina MacDougall in London and **Tony Walker** in Peking preview an important reshuffle expected in China's top policy-making body

Deng prepares his final move against remnants of Left

CHINA is on the brink of important leadership changes. A meeting of the country's top policy-making body, the Central Committee, is said to be imminent, and Mr. Deng Xiaoping, senior Vice Premier and China's leader in all but name, looks ready to oust those leftists still on the Committee since the departure of the disgraced "Gang of Four."

The meeting follows a series of moves in which Deng has strengthened his hand by making new appointments in the provinces and the military.

The trend is confirmed by the recent blast of articles in the Peking press against "ultra-leftists," and more particularly, the report of the January meeting of the part's Discipline Inspection Committee.

This said that "questions left over by history" and the doubledealers who "secretly oppose the party line" must be dealt with. Clearly the disgraced former head of state Liu Shaoqi is about to be rehabilitated. There are also new reports of the forthcoming trial of the Gang of Four.

Previously the Deng group appeared prepared to tolerate the presence of known supporters of the Gang of Four in the leadership to ensure a facade of unity. Now, however, Deng seems to have realised that their continued presence is counterproductive.

Their position on the Politburo and right down the hierarchy has made it much more difficult to implement modernisation policies effectively. Their relative youth gives them an advantage over the leading moderates, who in the main are 70-plus. This has not escaped the notice of radical supporters throughout China who have said openly that their opportunities would come again in 10 or 15 years' time. Younger moderates have to be brought in now to ensure a smooth transfer of power.

This overdue clean-up has already begun with the recent removal of Chen Xilian, long believed to be a supporter of the Gang, from his post as commander of the Peking Military Region. A grovelling self-criticism by Wang Dongxing, once commander of Mao's praetorian guard, the 8341 Unit, seems unlikely to save him from a similar fate.

The other four radicals on the Politburo lost their administrative jobs some time ago, so the stage is now set for all six to get the sack, just as soon as a formal party meeting can be held to approve it.

Deng has lined up a number of important newcomers who seem likely to benefit from this. Much he most weighty is Zhao Ziyang, currently first party secretary of the rich but over-populated Western province of Sichuan.

Zhao has already had a meteoric rise to national prominence. Unlike other provincial officials, he has had frequent exposure in the national Press, while his province has pioneered economic flexibility and the introduction of market forces. A charming and capable 61-year-old, he led a mission to Britain last summer and made a favourable impact.

Second to him are Peng Chong, first secretary of Shanghai who last summer also took a mission abroad, and Wan Li of the mineral-rich central province of Anhui, a former Minister of Railways and bridge partner of Deng's. All three seem to have been freed for work in Peking by the posting of senior officials to their provinces who will do the lion's share of their jobs.

Inevitably the fresh onslaught on the Left has led to renewed speculation about the position of Chairman Hua Guofeng, particularly as in the provinces the move to hive off administrative functions from the Party First Secretaries to the new Governors is now almost complete.

Hua is unique in combining the party Chairmanship and the Premier's job, a dual role which not even Mao took on. The division of function would allow Hua to be divested of the Premiership without loss of face and to devote himself to party affairs while a candidate from the moderates would run the country.

Previously the favoured candidate for the Premier's job was always Deng himself. However, at 75, his present preoccupation is thought to be how to secure the succession so that his own policies go marching on.

In that context the appointment of a newcomer like Zhao would make sense. At 61, he is a match for Hua's 59, but it is still questionable whether he could safely leapfrog a ladderful of existing Vice-Premiers. Most of these, though, are on the wrong side of 70.

Deng would have to retreat to some upstairs post to allow Zhao or anyone else to take the job with propriety, but with Ye Jianying, the nominal head of state, now too feeble at 81 to make his own speeches there seems likely to be a vacancy soon. At the least, however, Vice Premierships seem entirely on the cards not just for Zhao but for Peng and Wan as well.

Deng is clearly also reorganising the army. Six of China's 11 military regions have been given new commanders in a reshuffle in the past fortnight. This has involved replacing some of the older commanders with slightly younger blood. Among those replaced is Yang Dezhi, commander of China's forces in the border war with Vietnam. Like the civilian government, the military hierarchy is antique, to the point where the ailments of old age caused problems in the Vietnam campaign last year.

In the provincial leadership, the trend towards Deng's men is equally evident. One of the last surviving Gang supporters, the first secretary of Hebei, a strategically important province neighbouring Peking, has just been replaced. Some highly professional people have been given new provincial postings—one, Tan Qilong, who was already a top provincial leader as long ago as 1958, has moved as second party secretary to Sichuan, presumably to take over from Zhao.

Zhao Zeyang—a rising star from Sichuan

Zhao Zeyang, until recently First Party Secretary in the populous (100m) Sichuan province, is China's rising political star. Not only is he being widely tipped as the country's future Premier; some people are comparing him favourably with the venerated Chou En-lai.

At the moment the premiership is held by Chairman Hua Guofeng, in his dual role as Chairman of the Party and senior state office bearer. But Hua is not expected to hold both positions indefinitely.

Like most party figures of his generation, Zhao remains a somewhat mysterious figure. He was born to a wealthy family in Henan province in central south China in 1918. He joined the Party when he was 20 and held posts in the local administration until becoming political commissar of the Guangdong military region in 1964. The next year he became First Party Secretary in charge of provincial affairs.

In 1966, like most of the other moderates now ruling China, Zhao was criticised by the Red Guards. The following year he became another victim of the Cultural Revolution, and did not surface again until 1971, when he emerged as a party official in Inner Mongolia. By 1974 he was back as First Party Secretary in Guangdong province, and was completely rehabilitated by 1978.

Zhao was asked to restore order to Sichuan after the Cultural Revolution and turned a food deficit into a surplus in just over four years. He is now regarded as something of a model for the rest of China in industrial and agricultural development.

Zhao's first recorded appearances in Peking in connection with important national events have only come in the past two years. But it is clear he has survived what can only have been an unpleasant four years between 1967-1971, and then returned to achieve important successes in a difficult province.

The word most frequently used to describe Zhao is "innovative." That he was able in Sichuan to increase productivity by introducing incentives and to frame policies whereby individual industries retain a percentage of their profits for reinvestment shows he is not completely shackled by the system.

Zhao is also not afraid to publicise his economic theories. A recent edition of

Red Flag, the journal of the Communist Party Central Committee, features a long economic treatise by him, though Zhao could not be described as a Marxist theoretician — and above all else he appears to be a practical politician.

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UK NEWS

Third P & O ferry on Channel route

BY WILLIAM HALL, SHIPPING CORRESPONDENT

P & O FERRIES *has introduced* a third ship on its main cross-Channel route between Dover and Boulogne increasing its annual carrying capacity by 50 per cent. The move will add to the fierce competition developing on the busy cross-Channel routes.

P & O Ferries began the Dover-Boulogne run in 1976 with one ship. In 1978 a second ferry was introduced and this week its third.

The ships will make a total of 24 crossings a day and have a daily capacity of 24,000 passengers and 5,300 cars.

In 1979 P & O increased its *market share* noticeably. On the Dover-Boulogne run passenger traffic was 60, cars 34 and freight traffic 83 per cent higher.

Of the Channel ports in France, Boulogne had the fastest growth. Its passenger traffic rose by 35 per cent, against 7 per cent growth at Calais and 5 per cent drop at Dunkirk.

The line believes that one reason for Boulogne's success is that it is less congested than *other ports, and 30km closer* than Calais to both Paris and the South of France.

During 1980 P & O *Ferries* expects to carry 1.2m passengers, 80,000 cars and 1m tons of cargo on the Dover-Boulogne route.

In the cross-Channel ferry market the French routes were the major growth area last year. P & O estimates that passengers to France increased by 14 per *cent to 5.6m; cars by 5 per cent* to almost 800,000; and freight movements by 10 per cent to nearly 250,000 vehicles.

Passenger traffic with Belgium was static at 3.5m and cars fell by 6 per cent to under *500,000. Freight movements* increased to over 260,000 vehicles.

P & O's decision to move into the cross-Channel ferry market has led to a marked increase in competition.

The two main operators, British Rail's Sealink and Townsend Thoresen, used to charge the same fares on their cross-Channel services.

P & O undercut their prices. *This is one of the main reasons* why the common fare pooling agreement ended at the end of last year.

A major price war has broken out. With all big operators increasing their capacity by an estimated 40 per cent this year, considerable efforts are being made to stimulate the off-peak *market*.

P & O offers £4 return fares, which does little more than cover the port dues.

All the main operators look to duty-free sales and restaurants to provide the main profit in winter.

P & O's latest two ferries, Panther and Tiger, were bought from a Danish company which sold them because of a cut throat price war in the Baltic.

Salad days over, Page 14

Labour 'would abandon' GLC Southern Relief Road plans

BY ROBIN PAULEY

CONTROVERSIAL plans to build a *£240m* Docklands Southern Relief Road will be abandoned by the Greater London Council if Labour takes control in the next GLC elections in May, 1981.

"The only way it could then be built will be through dictatorial powers of an urban development corporation," Mr. *Andrew McIntosh, opposition* spokesman on transportation, told a special meeting of the council's policy, resources, planning and communications committees yesterday.

The meeting was called at short notice to consider the relief road plan after a challenge from lawyers acting for *the Southwark campaign against* the road alleged that a previous meeting had acted unconstitutionally in excluding the public.

The committees together approved the road proposals and made 17 separate recommendations. The recommendations to full council include applying to the Ministry of Transport for the classification *of the road as a principal road,* and that £54.3m be set aside for the acquisition of property. The meeting also recommended that survey studies covering the scheme be extended to the public inquiry stage at a revised estimated cost of £516,000. (A public inquiry is expected in 1981.)

The Joint Docklands Action Group, a trade union and community based pressure group, *submitted a memorandum* against the relief road to the committees, saying it was unnecessary, and could cost £530m by 1988.

"London cannot afford such an expensive scheme, which will cause so much damage and disruption. The GLC financial analysis is totally inadequate, and there is no evidence that the road will regenerate docklands. The main problems holding up docklands industrial development is the availability of land, not transport," it said.

● The construction of a *Southern Relief Road* is regarded as crucial by many of the groups which have submitted ambitious development proposals for a 120-acre site in London's Surrey Docks, writes Andrew Taylor.

Fifteen plans have been put forward for the site, jointly owned by Southwark Borough Council and the Greater London Council. However, the provision of adequate communication *routes, including the extension* of the Jubilee underground line and the construction of Southern Relief Road, is regarded as essential by many of the developers. The total cost of these schemes could be over £500m.

The GLC and Southwark councils will meet later this month to discuss the viability of the various schemes.

Since then, the GLC finance committee has referred the relief road proposal back because it felt insufficient information about financing was available.

Alliance Party to join talks on Irish unity —but not with SDLP

BY STEWART DALBY

THE NON-SECTARIAN Alliance Party, one of the three main Northern Ireland political groups attending the main constitutional conference on Ulster, has agreed to take part in the *second set of parallel* talks.

But it has agreed only to hold discussions with Mr. Humphrey Atkins, the Secretary of State. This means it will not be attending the same talks as the Social Democratic and Labour Party, the main Catholic representatives at the two conferences.

The *second* talks are concerned with Irish unity, security, the economy and the European Community.

Because questions of Irish unity were so contentious they were hived off from the main *conference. Mr.* Ian Paisley, the main Unionist representative at the conference, has declined to attend the parallel talks.

Mr. Atkins' remarks in Parliament on Thursday that there was an air of "expectancy and "*hopefulness" about the talks* were greeted with considerable scepticism.

Observers can see *no chance* of narrowing the big differences between the SDLP and Mr. Paisley's Democratic Unionist Party on the vital issue of power-sharing.

It is felt that the conference can be kept going for the next two months by protracted discussion of lesser issues like the structure of local government. But the feeling *is growing in* Belfast that by Easter the *Government* will have to come up with proposals of its own.

Tories must not waver —Whitelaw

By Philip Rawstorne

MR. WILLIAM WHITELAW, Conservative deputy leader, last night admitted that many Conservatives were "just a little cast-down" by difficulties facing the Government.

Addressing Nottingham University *Conservative students,* he said: "The realities of power mean that any incoming Government will meet many short-term problems. How much more is this the case for a reforming Government.

"*No short-term problem must* ever drive us on to the defensive. Tactical difficulties there may appear to be, but I promise that this Government will not lose sight of the strategy on which we were returned to power."

That was to squeeze inflation out of the economy, encourage *individual effort, and create the* resources that would restore prosperity. Achieving that target demanded confidence in the party and the country, he said.

New move likely after delays hit Abortion Bill

BY JOHN HUNT

THE CONTROVERSIAL Private Member's Bill which seeks to place stricter limits on abortion received a *severe setback in the* Commons yesterday.

After five hours of heated *debate MPs had dealt only with* four amendments and two new clauses out of the 60 amend*ments and seven* new clauses on the order paper.

This means that the report stage of the Bill will be resumed next Friday, and its chances of success now look very slender. But it could be followed by a new Bill, allowing abortions to take place up to the 24th week of pregnancy, with the Government being pressed to find time for it.

The present Bill—the Abortion (Amendments) Bill, sponsored by Mr. John Corrie (Cons., Ayrshire N. and Bute) —seeks to forbid abortions after the 20th week of pregnancy. Under current law they can take place up to 28 weeks.

At the debate drew to a close there was an angry demonstration in the *public gallery from* women who oppose Mr. Corrie's Bill. Some tried to unfurl a banner and five were ejected struggling from the gallery.

Borrow from gold reserves, urges Powell

MR. ENOCH POWELL yesterday suggested that the Government should use the gold and *foreign currency reserves to* reduce the Public Sector Borrowing Requirement, writes Philip Rawstorne.

Maintaining the reserve was logical or justifiable only while exchange rates were fixed, he told the Forex Association in London.

"I don't propose that we *should blue ours necessarily in* one single year." Mr. Powell said. "The process could be *spread over two, three or even* four years.

"A reserve standing at $23bn, even with the gold element in it ludicrously undervalued, would make a glorious hole in the public sector borrowing requirement for the rest of the Parliament," he declared.

UNIT TRUST AND INSURANCE OFFERS

BR relaunches family railcard

BRITISH RAIL re-launches its UK-wide travel "*Family Railcard*" on March 1 for one year after a nine-month experiment. *The new two-adult card, on* which anyone aged 14-17 may now be nominated as the second adult, will cost £16, to cover the increased validity period, rather than the previous £10, but flat rate tickets remain at 50p each.

Hopes rise for limiting U.S. fibre imports

BY RHYS DAVID, TEXTILES CORRESPONDENT

A HINT that the EEC Commission will be looking hard at ways to meet Britain's request for authorisation to impose duties on imports of U.S. fibres was given in Northern Ireland yester*day by Herr Wilhelm Haferkamp, the* Commissioner for External Relations.

Herr Haferkamp, who was visiting fibre plants in the area at the invitation of the UK industry, said it was recognised that difficulty had been created in some centres of the European textile and manmade fibre industry.

"The Commission's duty is to help member states which are in difficulty. We must do so according to interna*tional commitments and we hope that* we can do this for the UK within the framework of the Commission."

The visit started at the ICI fibres plant at Pontypool, Gwent, where Herr Haferkamp was met by Mr. John Stuart, chairman of the British Manmade Fibres Federation. Herr Haferkamp later flew to Northern Ireland, where about a third of UK fibre is produced, for talks with industry leaders and with Mr. Giles Shaw, a Minister at the Northern Ireland office.

Britain applied earlier this week for Commission authorisation to impose quotas under GATT Article 19 on three U.S. products—polyester filament yarn, nylon carpet yarn and tufted carpets. The GATT article allows action to be taken where serious market disruption is being caused.

The move *followed the rejection by* the EEC Council of Ministers of Britain's case for Community-wide action against U.S. imports, which so far have affected mainly the UK market. The Commission, under Community rules, must give a reply within five working days to Britain's request to impose its own quotas.

Textile troubles 'will spread to Europe'

THE KEY MESSAGE Herr Wilhelm Haferkamp will have been left with yesterday following his visit to the hard-hit UK fibre producing areas is that the EEC should, without further hesitation, authorise the British *Government's application to* impose quotas on U.S. fibre exports.

Herr Haferkamp met senior figures from throughout the industry, and they will have told him that in their view what has been happening in Britain for *the past year will spread to the* continent. The threat as it is seen in Britain is that during the 1980s the U.S. will emerge as a strong force in world tex*tiles, winning a much greater* share of European markets and driving European producers from some of their traditional export territories.

The U.S. is taking the opportunity, it is argued, to establish *its bridgehead into Europe* while it enjoys a substantial price advantage — in the range of 10 to 30 per cent, depending on product — as a result of access to low-cost supplies of oil feedstock. Though the American authorities are pledged to bring their oil and gas prices up to world levels in the next *few years, removing the com*petitive advantage enjoyed by oil-based industries, U.S. producers will already have built up market share in Europe and will have forced large-scale capacity reductions.

In support of its case, the UK industry can point to the latest U.S. textile figures. American domestic textile consumption has been relatively flat for the past year, but export growth *has been strong, helping to* keep U.S. mills busy. U.S. exports of textile products are likely to have topped $4bn last year, compared with $2.9bn in 1978. Though imports are still twice as high at $8bn, they grew by only about 5 per cent last year.

Some of the fastest growth in *U.S. exports has taken place* in the three products where Britain wants to impose quota *controls.* The U.S. share of the UK polyester filament market has increased from 7.1 per cent in 1978 to 17 per cent last year, and to 25.5 per cent in the last quarter.

In nylon carpet yarn, the *U.S. penetration is up from 8.6* per cent in 1978 to 20.4 per cent last year, and nearly 30 per cent in the final quarter.

In man-made fibre tufted carpets, the U.S. achieved a market-share of 8.5 per cent in the UK in the last quarter. There have also been significant increases in U.S. exports of other products such as household textiles, and there are signs that American clothing may soon begin to appear in much greater quantities on the UK market.

The growing strength of the U.S. fibre industry is not just a recent phenomenon, as other figures published by the Dutch-*German fibre group* Enka *show.* In 1971 Western Europe's total output of fibres stood at 2.88m tonnes compared with 2.57m in the U.S. and 9.3m worldwide.

By last year, the U.S. was producing 4.15m tonnes, an increase of 61 per cent, while the European share of total world production of 14.3m tonnes had *increased only to 3.25m*—a rise of 13 per cent. The U.S. share of world production of man-*made fibres now* stands at 29 per cent against Europe's 22.5 per cent. In 1971, Europe accounted for 31 per cent of world output against 27 per cent for the U.S.

Furthermore, the campaign to boost U.S. exports of textiles has been given support at the highest political level. The textile industry in the U.S. as in Britain, mounts a powerful lobby, and in order to win its *backing for the tariff cuts he* wanted to propose in the GATT Tokyo round negotiations last year, President Carter had to offer a vigorous textile aid programme.

As part of this programme, *the U.S. Commerce Department* commissioned on behalf of the industry studies of nearly 50 *markets outlining ways in which* U.S. producers could increase sales.

Against this background, Britain has felt justified in dismissing EEC fears that action against U.S. fibre exports could *lead to a trade war. The Trade* Department was emphasing yesterday that UK action was intended to cause minimum disruption to international trade. It was also pointed out that the GATT Article 19, under which Britain is proposing to act, has been used nine times by the U.S. *in the past decade but only* once before by Britain.

But while Britain will be *hoping this case carries weight* with the EEC, there are other sides to the argument. For although the U.S. undeniably does enjoy an energy price advantage, this is not the only source of its new-found com*petitiveness.*

In the first place the U.S. fibre industry is highly concen*trated with three producers* accounting for 70 per cent of polyester output, and thus able to achieve large economies of scale through the operation of huge plants.

U.S. textile mills are also *able to keep their costs down* by maintaining long production runs and making very efficient use of plant. In the U.S. carpet industry, American analysts point out, manufacturers operate 50 weeks a year and 120 hours a week as against an average 48 weeks year and 80-*hour week in Europe. Ironically* too, by virtue of its woven carpet sales, Britain actually had an overall trade surplus in carpets with the U.S. in 1978 of $12.8m.

Other factors helping the U.S. are the weakness of the dollar, which has made exporting much more attractive, and in the case *of downstream products such as* bed linen and carpets, the ability of U.S. producers to come up with products which appeal to UK consumers.

There are more factors at work, therefore, than the oil price advantage, though it remains the main clause of the serious disruption. In the past *six months, more* than 2,000 jobs have ben lost in fibres in Northern Ireland, and ICI plans cuts of 2,800 in its 10,600-strong fibres workforce to try to achieve a cost saving this year of £45m. In addition, the company has stopped *a £50m invest*ment programme at Pontypool.

In carpets, Britain's biggest producer of tufteds, Associated Weavers, is closing with the loss of more than 1,200 jobs, and another major producer, Homfray, is halving its labour force to 800. Employment in fibres, at 27,500, is 8,000 down on four years ago.

Nevertheless, the quotas on the U.S. (and other producers *such as Canada and Japan,* which will also be caught) are clearly only another breathing space. The painful processing of restructuring in textiles will clearly have to go on.

WORLD PRODUCTION OF MAN-MADE FIBRES
(in 1,000 tonnes)

Year	West Europe total	U.S.	Japan	Rest of world	World total
1971	2,882	2,572	1,633	2,238	9,325
1972	3,049	3,032	1,601	2,565	10,247
1973	3,420	3,435	1,818	2,911	11,584
1974	3,171	3,317	1,620	3,202	11,310
1975	2,611	2,983	1,435	3,645	10,674
1976	3,164	3,327	1,616	4,092	12,199
1977	3,016	3,668	1,712	4,405	12,801
1978	3,223	3,869	1,823	4,880	13,795
1979	3,250	4,150	1,822	5,115	14,337
Change 1979:1978	1%	+7%	±0%	+5%	+4%

Source: Enka BV, Netherlands

UK NEWS

Slump in textiles demand shuts plant

BY RHYS DAVID, TEXTILES CORRESPONDENT

STONE-PLATT, the engineering group, is to close its textile machinery plant at Oldham, Greater Manchester, at the end of the year with the loss of 850 jobs because of a severe decline in orders for spinning equipment and the collapse of plans to manufacture alternative products.

The closure comes a year after the company announced plans to transfer three other lines — transmissions, boilers and container refrigeration—to Oldham from other group plants enabling it to concentrate the textile machinery operations of its Platt Saco Lowell subsidiary at plants in Bolton and Accrington, each employing more than 1,000 people.

The company has had to abandon its transfer plans, however, because of poor demand for all three products. Orders for boilers have been half what the company expected, and the one order received for container refrigeration equipment from a shipping company has only recently been delivered, three months late because of last year's engineering strike.

Demand for transmissions has been affected by the UK recession and the low level of activity in the group's textile machinery plants.

Textile machinery manufacturers throughout the world have been experiencing weak demand, and, although last year's major industry exhibition in Hanover, West Germany, has generated some extra business, UK producers are still finding orders difficult to win. Platt Saco Lowell says that demand for spinning machinery, its principal product, has been running at only 50 per cent of 1975 levels.

With 80 per cent of its output going overseas the division has been hit particularly hard by the high value of sterling and UK inflation rates.

Last month the three textile machinery plants worked for only two weeks, increasing to three weeks this month with a review due at the end of March.

The rationalisation plan now being put into effect involves phasing out the cotton card and draw frame models made at Oldham. The company's new models will be built instead at Accrington. The group closed a plant in North Carolina in 1978 and has reduced considerably its workforce in Spain.

Mr. Keith Leech, regional director of Stone-Platt Electrical, said yesterday it was hoped that, with reduced overheads, it would be possible to restore the textile machinery operations to viability. An examination would also be taking place of the transmission business to see whether it could be restored to profitability, providing up to 200 jobs in Oldham.

In another textile closure announced this week Carrington Viyella is to shut its Makerfield mill at Ashton-in-Makerfield, Greater Manchester, with the loss of 169 jobs. The mill makes woven Jacquard curtain fabric.

More Home News
Pages 17 and 22

Wider inquiries into Salem loss

BY JOHN MOORE

INTERNATIONAL investigations into the loss of the Liberian-registered tanker Salem are being widened.

This move came after the office of the Director of Public Prosecutions studied a preliminary report prepared by the Metropolitan and City Police company fraud squad.

The office of the DPP said yesterday that after consultation with Treasury counsel, it is of the opinion that there is sufficient prospect that an offence has been committed within the English jurisdiction to justify further police inquiries. Inquiries are continuing into the possibility that a fraud or a conspiracy to defraud has been committed.

Representatives of the Liberian Ministry of Justice said yesterday that it was to start its own investigations into the alleged theft of a cargo of 193,132 tonnes of crude oil shortly before the tanker sank.

Mr. E. Winfred Smallwood, Liberia's solicitor-general, said he was assessing evidence from interested parties with a view to further investigating alleged activities of any criminal nature. If there was sufficient evidence he said there would be attempts to extradite parties involved in the Salem affair.

The latest moves follow a week of intense legal activity in London and South Africa following the loss of the Salem in mid-January and the disappearance of its cargo of crude oil. The vessel was bound from Kuwait to Europe with a cargo of crude oil, insured for \$56.3m which Shell had bought in mid-voyage from a Swiss subsidiary of the Italian private oil company, Pontoil.

A Tunisian crew member has alleged that the bulk of the oil was discharged at Durban, South Africa, after an unscheduled stop and replaced with sea water so that the ship would appear fully loaded.

Shell has instituted court proceedings against unnamed parties in South Africa, who took delivery of the oil, and is suing the Oxford Shipping Company for compensation in an Admiralty Court action in London.

LABOUR

Post Office engineers go to arbitration on pay

BY PHILIP BASSETT, LABOUR STAFF

POST OFFICE engineers are going to arbitration on a claim for increases of about 10 per cent as the second stage of their 1979 pay deal. This gave the 126,000 engineers an average increase of 16 per cent, a 2 per cent productivity payment and other improvements.

The arbitration is likely to be next month under the auspices of the Advisory, Conciliation and Arbitration Service.

The Post Office Engineering Union has argued that negotiations on the second-stage increase should be outside the Post Office's attempts to make major changes in the structure of telecommunications grades.

But the Post Office is not prepared to make an offer unless the engineering union enters into a commitment on restructuring, which is designed to ensure greater flexibility, with the eventual aim of a new structure of eight or nine grades at differing levels of skill and responsibility outside the traditional areas of union demarcation.

The arbitration decision is complicated by two factors. Firstly, the Society of Post Office Executives, on whose grades much of the planned restructuring rests, is involved in arbitration over differentials with the POEU.

A meeting was to be held last week but it was cancelled. SPOE at present enjoys a differential of 17 per cent between its lowest grade and the highest of the POEU, and officials feel that any restructuring offer would yield less than would the maintainance of present differentials.

Also, Mr. Bryan Stanley, POEU general secretary, said yesterday that his union's agreement to restructuring was further blocked by a special agreement between the Post Office and the Society of Civil and Public Servants, which represents executive and computer staff.

The SCPS "fall-back" agreement, negotiated as part of the union's settlement last year after industrial action, gives an increase of 7 per cent from April 1 this year for restructuring, instead of the 3½ per cent increase for this purpose offered to every other PO union.

The agreement would only come into effect if the Post Office wins agreement from all its telecommunications unions to the restructuring proposals.

If it fails to win agreement, SCPS grades would still receive an increase of 5½ per cent from April for a measure of restructuring, including talks about job evaluation and acceptance of recruitment at a higher grade than normal, to which no other PO union in telecommunications would be party.

Meeting at Airfix breaks up

By Gareth Griffiths, Labour Staff

AIRFIX INDUSTRIES said last night that shop stewards at the Meccano plant in Liverpool had shown a "negative attitude" to redundancy payments, and that it did not intend to increase the money available.

A join management-union working party meeting yesterday broke up after less than an hour. It had been planned that the meeting should discuss offers for the Meccano plant and redundancy terms for the 940 workers.

Mr. Ralph Ehrmann, chairman and chief executive of Airfix, said the meeting had not achieved anything.

He was doubtful whether a further meeting planned for next week would take place.

The local shop stewards had shown "a negative attitude" to the redundancy package agreed last week with national union officials, he said.

No new offers for the Meccano plant that were acceptable have been received, a company statement said last night. Airfix has said there are no talks with European manufacturers over switching production abroad.

Union officials have expressed concern that time is running out for the working party, which has until the end of the month to find a buyer for the Liverpool factory.

Last week a mass meeting at the factory called the Airfix redundancy package "derisory," and voted against accepting it.

Local authority deal runs into difficulty

BY OUR LABOUR STAFF

A COMPARABILITY study covering 500,000 town hall workers has run into difficulties over the way it is being conducted and a joint union-employers meeting on Monday to ratify an agreement has been postponed.

The study is being conducted by a team drawn jointly from the National Local Government Officers' Association and the employers' side of the National Joint Council for Local Authorities' Administrative, Professional, Technical and Clerical Services.

A meeting of the NJC has been postponed, although the staff side is to meet on Monday to discuss its position. NALGO officials regard the information used in the survey as having been drawn from too narrow a base. They argue the employers want to tie the findings in advance to the 8 per cent restructuring increase, awarded to council chief executives last month.

The comparability award, backdated to January 1, will form the *second stage* of the local government white collar deal in the last pay round. The settlement, worth about 9.6 per cent, took effect in July and at that time was nearly double the figure allowed under Government cash limits.

Local authority employers expect agreement to be reached on the study before the next meeting of the NJC on March 5. The employers said the chief executives' award would have no bearing on the work of the study. They also discount the impact of the Government's 13 per cent cash limt to fund pay rises in local government on the survey.

Union wins 'strike' claim

BY ALAN PIKE, LABOUR CORRESPONDENT

EIGHTY-FIVE ship repair workers who lost their jobs during last year's engineering industry dispute have been awarded unemployment and redundancy payments after legal action by the Amalgamated Union of Engineering Workers.

All 85 workers, who were employed by the Penzance Ship Repair Company, had been refused the payments on the grounds that their dismissal from the yard was a direct result of the industrial action. About 30 of the workers have since been re-employed by the company.

The Department of Health and Social Security decided that they were entitled to unemployment benefit after a national insurance tribunal considered a series of eight test cases. The Department of Employment has separately decided that all 85 were entitled to redundancy payments.

Mr. Ron Baumberg, AUEW assistant divisional organiser for Cornwall, said: "We regard this as a very important victory. The men were never actually involved in any industrial action and we were not prepared to accept that it had anything to do with their dismissal."

Sheppey's model of a modern steel plant

BY ROY HODSON

SHEERNESS, Kent, on the Isle of Sheppey, in the Thames Estuary and at the mouth of the Medway, is an unlikely site to find a modern and prosperous heavy industry.

The steelmen who decided it was the right place to build a plant ten years ago recognised three factors which together combine to make the place almost ideal for the purpose:

Scrap steel from the whole London area could be transported cheaply down the Thames and used as raw material.

A deep water port existed at Sheerness for export of finished steel products.

There was a ready supply of labour in the area, with many engineering skills learned in the Admiralty dockyards, though there was no steel-making tradition.

Their judgment was sound. Since the Sheerness Steel mill opened in 1972 it has proved the very model of a modern steel plant.

A workforce of only 800, including the office staff, runs the mill flat-out to squeeze more tonnes of steel a year from it than its calculated maximum capacity of 450,000 tonnes.

Its productivity in terms of annual tonnage of steel per worker employed is four times better than the British Steel Corporation's.

Sheerness Steel has been profitable almost from the start, and this year is expected to make about £4.7m before tax.

The home market for steel has been disappointing in recent years. British Steel's projections of need for more than 30m tonnes annual production in the 1980s to satisfy home and export markets has been scaled down to 15m.

But Sheerness Steel has never been forced to cut its output drastically through lack of customers. Consistently it has sold more than half its production abroad.

The efficiency of its production has allowed it to compete in some of the toughest steel markets in the world.

Major market

With the present world over-capacity in steelmaking resulting in too much chasing too few customers, a company that can sell such a common product as reinforcing bars into the Middle East must be good. That has been a major market for the company.

When it started production it was called a mini-mill. That term became popular in the early 1970s to describe the many small steelmaking plants using electric arc furnaces and continuous casting which were springing up in Europe, North America and a number of developing countries.

The integrated steelworks uses iron ore and coking coal to make steel by the classical route. Blast furnaces make iron, and oxygen-blown vessels turn the iron into steel.

The Japanese philosophy, now followed closely by the big Western steelmakers, is that the larger the furnaces the cheaper the steel produced.

The mini-mills arrived on the scene to satisfy specific market needs for steel by processing local supplies of scrap steel in electric arc furnaces.

The classic size for the mini-mill has come to be defined as 250,000 tonnes output a year, compared with 2m to 5m from an integrated steelworks.

By that yardstick Sheerness Steel and the even newer private enterprise Alpha Steel works at Newport, Gwent, are rather bigger than true mini-mills. They have exceeded the concept of local steel needs. One wag called them maxi-mini-mills.

Sheerness Steel is owned by Co-Steel International of Canada (65 per cent) and various institutions. Co-Steel has several steelmaking investments in North America.

A Canadian, Mr. Clancy Schueppert, 43, is at Sheerness as chairman and chief executive and is said to be one of the highest-paid executives in British steelmaking.

The Sheerness employees are the highest-paid steelworkers in Britain. Shopfloor wages, including overtime, are between £7,000 and £8,000 a year.

From their one strike in 1974 came formation of a joint representative committee, only negotiating body between management and unions there.

Aircraft factory plan for Ulster

Financial Times Reporter

TALKS have begun between Northern Ireland Government officials and Gulfstream American, a U.S. light aircraft manufacturer, about a production venture that could employ up to 1,000 people in the province.

The Northern Ireland Department of Commerce said discussions were at a preliminary stage and a detailed assessment had not yet been made.

Gulfstream is seeking to restart production of light aircraft in Europe, following the suspension of manufacture at its Savannah, Georgia plant last year. The aircraft concerned are the single-engined Cheetah and Tiger and twin-engined Cougar.

The company has contacted the Northern Ireland Development Agency about a possible joint venture, but it is also said to be in touch with agencies in other UK regions and elsewhere in Europe.

Gulfstream has reached provisional agreement with International Transport and Earthmoving Equipment under which the U.S. company would provide technical and management services while marketing would be undertaken through International Transport.

Skilled labour would be available in Ulster, but local officials are treating the venture cautiously. They are already negotiating with another U.S. company, Lear Avia, about the possible assembly of executive aircraft on the site of a former RAF maintenance unit at Aldergrove, near Belfast.

The Department of Commerce must also consider the position of Short Brothers, the Belfast aerospace company which it owns.

Murray warns south-east

THE SOUTH-EAST'S traditional economic prosperity would not save the region from the effects of the Government's economic policies, Mr. Len Murray, TUC General Secretary, said yesterday.

No part of the country was exempt from the spiral of economic decline and the south east could not be cushioned against the effects of rising unemployment, declining industrial activity and savage cuts in public services. The problems of the inner cities were particularly acute in London, he said.

Metal Box workers face more lay-offs

BY MAURICE SAMUELSON

NEARLY a third of the workers in Metal Box's can-making factories will be out of work next week because stocks of tin plate have been severely depleted by the steel strike.

Of a total production force of nearly 15,000 more than 4,000 will be out of work, compared with the 2,600 laid off this week.

Most of the lay-offs so far in the open-top division which makes containers for food and drinks. From Monday there will be no work for 500 people at the Worcester factory or for 200 employed at Rochester.

Lay-offs are also spreading in the general lines division, which makes non-food containers, including aerosol cans. On Monday, 400 people will be laid off at Sutton in Ashfield, and at Mansfield 700 people will share the available work on a week-on, week-off basis.

Mr. Ray Frost, Metal Box's managing director, said last night that he was bitterly disappointed by the breakdown of talks between the British Steel Corporation and the unions. "Our situation can only get worse," he added.

So far, the company had met the demand for beverage cans, but stocks of tin plate needed for food cans were dropping steadily and could no longer satisfy the needs of the canning industry or Metal Box's own production lines, he said.

The open-top division was meeting 45-50 per cent of overall demand for customers in the food trade, and some popular sizes were in very short supply.

The company had hoped to cushion the strike's effects by inviting 7,000 staff to take a week of their annual leave before lay-off notices were sent out. But few staff have accepted the offer, largely because the company already gives an additional week's pay to those laid off.

British Rail says that the strike is costing it £2m a week in lost revenue and has cut the earnings of some railwaymen, who have lost overtime pay as hundreds of freight trains have been cancelled.

Mixed response

In the private steel sector, there was a mixed response to yesterday's abortive opening of talks between the BSC and the unions. While deploring the failure to relaunch negotiations, Mr. Selwyn Wiliams, director of the British Independent Steel Producers Asociation, said it might further weaken support for the strike among private-sector workers.

● Sir Richard Marsh, chairman of the British Iron and Steel Consumers Council, has written to British Steel and the striking steel unions asking them to agree to immediate arbitration. Failing such an agreement he suggests that they should agree to the setting-up of a court of inquiry into steelworkers' pay after work has been resumed.

The council estimates that steel-using industries in Britain can obtain enough steel to carry on for several more weeks without widespread lay-offs.

Union backs study into hiving off Shotton

BY ROBIN REEVES, WELSH CORRESPONDENT

THE MAIN steel union, the Iron and Steel Trades Confederation, is to sponsor a £20,000 study into the feasibility of hiving off the British Steel Corporation's Shotton works as an independent integrated steel plant.

The study to be carried out by Merchant bankers, Kleinwort Benson, will look into the feasibility of establishing the Deeside works as an integrated produciton and commercial unit, independent of BSC. It will be completed in about three months.

The investigation is also being backed financially by Clwyd County Council and two district local authorities covering the Shotton area.

The idea of taking Shotton out of BSC was mooted last autumn, during the fight to retain steelmaking at the plant. But one problem was that Shotton's ageing open hearth furnaces need to be replaced by a more modern, lower cost steelmaking technology.

Before the steel strike, Shotton's present iron and steel making was due to be phased out between the New Year and the end of March. Redundancy terms for the 6,400 workers were agreed just before Christmas.

Without steel-making capacity there, Shotton's remaining steel workers fear that the coatings complex could eventually close. BSC plans to supply steel for coating from Ravenscraig in Scotland and South Wales.

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THE WEEK IN THE MARKETS

Shares resist gilts jitters

SINCE JANUARY 24, when the last chunk of long-dated stock was old out, the gilt-edged market has been in an apprehensive mood. The market's concern was thoroughly justified by the banking figures for the month to mid-January which were published on Tuesday. Many analysts had expected these statistics to be consistent with a fall in the money supply, as measured by the Sterling M3 definition.

As it was, very high bank lending to the private sector, well above even the high levels that could have been expected for seasonal reasons, meant the Sterling M3 rose by around 1 per cent despite the heavy sales of gilt-edged stock during the month.

Gilts sagged after the figures; the recent long tap, which had been exhausted at just above £26, *partly-paid*, traded *as low* as £20½ on Thursday afternoon. Since then there has been a fragile recovery, but the market is no longer looking for an early fall in interest rates.

Equities have been immune to the worries that have plagued gilt-edged. The equity funds still seem to have plenty of cash to buy with—partly as a result of the large takeovers for cash that have recently taken place—and the market has been able to shrug off the strength of sterling, which has been above $2.30 for most of the week. The bids and counter-bids for Decca from Racal and GEC have provided speculative spice, and the resurgence of the international fashion for energy stocks has favoured the oil sector.

Bristol fashion

The first-ever offer for sale to the public of a company with a limited listing under the Stock Exchange rule 163(3) was *announced this week*. The 163(3) listing allows trading under the aegis of the Exchange of mineral exploration companies, even though the new company, Berkeley Exploration and Production, has no track record and the high risk element is openly acknowledged.

The property of the new company, mainly part shares in North Sea blocks with oil and gas potential, was floated off from KCA International, the oil servicing and contracting company headed by Mr. Paul Bristol.

KCA will hold 30 per cent of *the shares in return for the* transfer. The cash raised from shareholders and the public—a total of £3m for the initial *consideration and call—will be used* to fund exploration work.

KCA has taken this step to avoid the need to find either its own exploration funds or oil industry partners. The company is still shaky after its *unhappy Algerian experience* and profits for 1979 are likely to have registered a 20 per cent decline. If it had gone ahead *with expensive exploration* work itself and produced negative results, the damage to confidence in the overall KCA group could have been disproportionate.

Meanwhile, with North Sea exploration stocks like Siebens and LASMO recording new peaks through the week, the timing makes it likely that the issue will be comfortably, or even heavily, oversubscribed.

The complicated form of the demerger, when KCA would have preferred to make a straight rights issue to shareholders, is due to tax considerations. In the case of rights any premium to the issue price could have been subject to income tax as if it were dis*tribution. So 30 per cent of the* flotation is on offer to non-shareholders, and the sponsors are confident that this proportion is enough to establish a "fair price" and satisfy the Inland Revenue.

Consgold mole

The stiff upper lip at Consolidated Gold Fields quivered this week as gathering alarm about the sustained buying of its shares by persons unknown *came to the surface. The group* mounted the only obvious defence available to it: a verbal campaign about the freedom of foreign predators to build stakes of up to 30 per cent in UK companies without declaring themselves.

Since October the stalking of Gold Fields has helped nearly to double the share price to around 500p yesterday after

LONDON
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touching 516p on Thursday. But share transfers have not been registered and there could be about 20 per cent or even more in foreign, possibly South African, hands.

Gold Fields can only wait and see what happens. Dividend declarations *and scrip issues* would not help much. The payments and rights entitlements do not have to be collected immediately.

And when the Stock Exchange brushed off Gold Fields earlier this week it was not because it was unsympathetic, simply that there was not much it could do. When exchange controls disappeared, control on shares moving overseas disappeared as well. Gold Fields can peer behind the cloak of nominees when *a holding reaches five per* cent—but the nominee shareholders would have to be registered first.

The most sinister and probably most likely short term threat for Gold Fields is if the buying *reaches 29.9* per cent and is declared, to reveal a group in a position to control the board without having to make the bid which becomes obligatory under the city's rules at 30 per cent.

The shareholders, meanwhile, have had a fine ride after several years of languishing prices and a surfeit of rights issues. The cautious will take their profits. The bold can hang on in hopes of a firm bid, in the knowledge that brokers note the discount of the share price to a net asset value per share now calculated at about 650p, *and estimate earnings for* 1979-80 at 54p, and total dividends at 18p.

Chinese cracker

A glance at Dowty's overseas and export turnover in the six months to September 30 last provides a very strong clue as to why the interim profits of £17.39m announced this week were so much better than the market had been expecting.

The common, and seemingly reasonable, view was that the *engineer's strike last autumn* had hit the group's enviable track record to the extent that profits would have to struggle *to reach the comparable level* of £14.1m at the halfway mark.

But sales both in and to markets abroad reached £82.64m—within £3m of the total for the whole of the previous year. Contracts worth £70m to supply 15 sets of roof supports and armoured conveyors to the Chinese mining industry had, quite simply, started to pay off in a big way and will continue to make a marked contribution throughout the second half. By June, however, Dowty will have taken almost all of the benefit and there is nothing to replace the contract so far.

Yet most of the major mining equipment action takes place in the U.S. where Dowty is well established through the Dowty Meco operation in Pittsburgh. West Germany, the only EEC member to *offer real* competition to Britain in the field of long wall mining technology, is pushing hard for market share and Dowty's North American margins are under pressure.

Further growth is still anticipated, nonetheless, but the accent is now on the aerospace and defence markets where Dowty is particularly well placed. The Rotol subsidiary produces aircraft landing gear, and hydraulics, Dowty Boulton Paul manufactures powered flying controls and the group is also involved in fuel systems for aircraft engines, almost entirely for military use.

Civil aircraft orders are growing and Dowty has been actively engaged on the Harrier and Jaguar military aircraft projects but the limelight has been taken by the Tornado/*Multi Role Combat Aircraft for* which over 800 orders have already been placed.

Dowty is supplying the after burner fuel system and the landing gear (plus various seals and castings on each aircraft and analysts have estimated that the value to the group (expressed in 1979 prices) is some £200,000 per unit. That takes in no benefit for the value of product support work and the strong possibility that the Tornado will be purchased by governments outside the UK, West German and Italian manufacturing consortium.

Bitter pill

It was not so very long ago that drugs companies attracted the same glamour status as do aerospace, minerals extraction and energy conservation shares today.

Times change. The lure of growth products, protected by long and seemingly ironclad patents around the world, has gone. The pharmaceutical sector, as Hoare Govett pointed out during the week, has underperformed the market by a massive 30 per cent since the end of 1977. Beecham and Glaxo have slipped about 33 per cent.

The strength of sterling has been an obvious problem for these big exporters. Increasing overseas competition in the antibiotics field and delays in *the introduction of new drugs* to replace the fast-maturing money spinners of the mid-seventies have combined to wipe the gloss off the leading drug shares.

The price of both Beecham and Glaxo shares has been retreating quite rapidly for most of the past fortnight on what looks to have been a price-cutting duel between Beecham and its licensee for the broad spectrum antibiotic, amoxycillin.

The licensee, Hoffman La Roche, obtains its raw materials supplies from Beecham and appears to have embarked on a campaign to boost its sagging market share in the U.S. There is some confusion as to which side fired the first round but Beecham's *selling* price is now around a third of its pre-July 1978 level.

Although Beecham probably *makes no more than £2m pre*-tax from amoxycillin in the U.S. (against its 1978-79 profits of £144m in total), the shares have *fallen nervously and reached* a 12-month low of 116p. Glaxo has reacted in sympathy.

Amoxycillin may not be that important to Beecham in the U.S. but, as stockbrokers James Capel observed in the third of a series of quick-fire reports on the price cuts, the antibiotic is important in terms both of total group profits worldwide and of recent growth. Capel believes it is possible that the price war in the U.S. will be repeated in other markets.

Glaxo has only scant exposure to this form of drug and its profits stand to benefit by £14m in a full year, on Hoare's estimate, following the abolition of the Price Commission and the more lenient regime operated by the Pharmaceutical Price Regulation Scheme. Beecham, the broker calculates, will benefit by some £6m pre-tax.

Both shares recovered a little towards the end of the week and, for Glaxo at least, the days of limping performance may be coming to an end. The market has seen a considerable degree of what it calls "quality buying" on recent periods of weakness.

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1979/80 High	1979/80 Low	
FT Ind. Ord. Index	461.4	+13.6	558.6	406.3	Demand in thin market
Adwest	178	−16	217	142½	Racal sells part of stake
Avana	121	+17	127	77	Nthn. Foods increases stake
Barlow Rand	440	+40	450	215	Bullion price
Bougainville	215	+37	215	100	High profits, bonus div. scrip issue
BP	390	+32	406	220½	Oil price increases
British Sugar	144	+17	184	126	Recovery after recent weakness
Castlefield (Klang)	503	+53	507	230	Continued support for rubbers
Cawoods	192	+37	192	69½	LASMO stake
Cons. Gold Fields	500	+22	513	178	Bid speculation
Decca	580	+190	580	235	GEC/Racal bid battle
Dowty	188	+30	192	126	Better-than-expected int. results
Lee Cooper	267	+22	275	109	Buying in thin market
LASMO	506	+93	506	124	Bid hopes/oil price rises
Newmark (Louis)	290	+40	290	180	Recent int. results
Pancontinental	460	+60	575	125	Australian market strength
Ropner	70	+ 7	72½	41	Ship sale
Stylo Shoes	180	+20	253	66	Strong speculative support
Travis & Arnold	248	+22	258	164	Demand in thin market
Unitech	268	+18	270	156	Good half-yearly results

The railroad rules, OK

RAILWAYS, so far as most Europeans are concerned, are a slightly old fashioned mode of transport, to be used as seldom as possible and to be paid for handsomely in both taxes and fares.

The Great American Railroad is a different matter, as events on the New York Stock Exchange have demonstrated in the last week.

In a week of continued heavy trading, the railroad companies have provided much of the upward thrust in the market and the Dow Jones Average of Transportation Shares (it contains airlines and road haulage companies as well as the railways) which has sped to record levels. At 206.71 at the close yesterday, it was over 18 per cent higher than on December 31 and almost 45 per cent higher than a year ago.

This urge cannot be attributed to the airlines, which are groaning under the burden of ever higher cost of jet fuel and reporting poor financial results as a consequence. Some of the truckers, heavily protected from competition in the U.S. system, continue to do nicely. *But the real drama* is on steel rails.

The shares of Union Pacific, for example, are trading at $92 each, compared with 51 at *the* end of 1978. Burlington northern has more than doubled to 79 in the same period, as has Santa Fe Industries.

Why has it happened? The simplest explanation is that many of the *companies* bearing the great names of U.S. railway history are no longer railway companies. One of them, Penn Central, does not have a railway, but that is a special case.

Union Pacific now draws only half its profits *from moving* goods by rail. Most of its other activities concern the exploitation of various natural resources from oil and gas in Texas and coal in the Rockies.

Sante Fe is in a similar position, along with Burlington Northern which operates the

NEW YORK
IAN HARGREAVES

nation's longest railway connecting the Midwest industrial belt with the Pacific Northwest. Missouri Pacific in the south has a railway, but it also has an important gas pipeline.

It is these companies which have shown the biggest gains in the market, as investors have latched on to the fact that not only do these companies benefit from the appreciation in oil prices, but their huge landholdings offer the speculative mind the temptation to guess at what else might lie undiscovered beneath their property. It is enough to make Sir Peter Parker, chairman of British Rail, drool with envy.

But the recent rail fever on Wall Street has not left untouched the more basic and traditional rail operators. *Chessie System* shares, for example, are over six points above their end-1978 level of 26. Southern Railway, one of the *more aggressive pure* rail companies, has seen its share price rise by 37 per cent in the period.

The attractions of unvarnished *rail shares, although* quite probably overstated in the heated atmosphere of the last week, are that business conditions are entering what would seem to be a period of steady improvement.

Freight traffic — passenger business is insignificant for U.S. railroads—reached a new peak last year, 5.8 per cent up on the record set in 1978. Coal carryings were especially healthy and are expected to become more so as the U.S. attempts to reduce its dependnce upon oil but continues to hesitate about its commitment to nuclear power.

Steel, ore and motor vehicle trade faded in the second half of *last* year, but grain shipments have held up well and are expected to continue to do so in spite of the disruptive *effects* of the President's blockade against shipments to the Soviet Union.

That is not to say that the industry will not suffer if and when the economy turns down—freight volume is a direct function of economic activity, but that rail's market share is improving over the fuel-thirsty lorry at a rate at least as fast as the economics of pipelining are outstripping those of rail.

There is another important *change, too. President Carter* entered office with a zealous commitment to injecting the heavily state regulated rail *industry with a dose of free* market thinking.

The President's first onslaught, a radical portmanteau *deregulation bill* hit a depth of mud which even a hovercraft would have had difficulty negotiating. But since then, *deregulation by stealth* has been taking place through a liberalised membership of the interstate commerce commission and, possibly, by slightly less ambitious legislation now being drafted by the senate commerce committee.

This will not only give the railways greater freedom to raise their prices as they need to do so, but looks like accelerating the process of closing down lines surplus to capacity (the rock island is currently under the hammer) and making mergers easier.

This last point is crucial as virtually every major railway in the country either is now involved, has recently been involved or plans to become involved in linking up with a neighbour.

Wall Street may have overdone its enthusiasm this week, but the underlying sentiment seems well placed.

MONDAY	875.09	−6.39
TUESDAY	876.62	+1.53
WEDNESDAY	881.83	+5.21
THURSDAY	885.49	+3.66

FINANCE AND THE FAMILY

House in names of children

BY OUR LEGAL STAFF

I am proposing to buy a new house for cash and put it in my children's names. I recall reading some time ago of an arrangement whereby the annual gift allowances for C.T.T. can be used and the mortgage sums owed by the children to the donor parent can be reduced year by year. Could you enlighten me?

The proposition which you have in mind was probably the setting up of a trust for sale under which the equitable interest is divided into a large number of shares, and shares not exceeding in value £2,000 per annum are from time to time assigned to the ultimate recipient. This will not of course enable the property to be vested in the recipients for some time, and it has not yet been tested in the courts.

Taxation and Sovereigns

Under Capital Gains and Sovereigns (June 30, 1979) you wrote that the sale of sovereigns dated after 1837 would not attract tax, but in an article by David Marsh on December 8 he mentions two occasions that the sale of sovereigns would attract tax problems. Has the Inland Revenue changed its policy on this matter?

The question and answer published on June 30 related to capital gains tax: a disposal of legal-tender sovereigns is exempt from CGT by virtue of section 19(1) (b) of the Capital Gains Tax Act 1979. The tax problems which Mr. David Marsh warned about are income tax problems (not CGT problems), but we took the view that the particular transactions undertaken by our June questioner would not be regarded as constituting an adventure in the nature of trade, within the income tax net.

Registered rent conditions

A rent has been registered and the Rent Officer's order has stated not only the registered rent, but also that the other conditions of the written agreement should remain the same. When a new tenancy is created could changes be made to the agreement, making rent payable quarterly in advance, instead of monthly and increasing the deposit held against dilapidations, etc., from £100, to, say, £500?

You can make changes in the contract when you grant a new lease so long as you do not increase the rent beyond that registered. Hence your proposal seems satisfactory, if the tenant will accept it; but he is not bound to do so. We are doubtful of the wisdom of increasing the deposit, lest this might be construed as an unlawful premium.

Tracing a house owner

During the storms in London last December, a tile came off the house next door and crashed through the roof of my outhouse, leaving me with a bill for about £25. My claim would seem to be against the owner of the house, who is proving difficult to trace. According to the local council they are not permitted to tell me who pays the rates, so where do I go from here? Quite apart from the damage to my property, the state of the roof next door constitutes a hazard, with a number of loose tiles hanging on precariously.

If you cannot ascertain the neighbouring owner from the electoral roll or from the Post Office London Directory you might try making application to register an obstruction of light under Section 2 of the Rights of Light Act 1959. However, this is a cumbersome way of seeking to ascertain the owner where so little is at stake. You may be able to persuade the local authority to serve a notice on the owner by reason of the dangerous state of the structure; but that would still not elicit the owner's name for your purposes.

A shilling for wayleaves

On buying my present house in 1974, I inherited two wayleave agreements, whereby I receive a shilling a year from the Electricity Board for each support pole of wires crossing my land. Can I either oblige the Board to pay a more realistic rent, or alternatively to remove the power lines?

While you are entitled to terminate the wayleave agreement, there remain powers under which the Electricity Board can acquire the same rights compulsorily; and it is doubtful if you would be entitled to more than nominal compensation, hence the wayleave rents which were nominal even in the days of £.s.d.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Next of kin and probate

My half-brother, who had a full sister died intestate two years ago, but the sister has not taken out letters of administration. In these circumstances, is there a time limit after which the next nearest of kin can apply to be administrator? If not, what can be done?

There is no time limit, but the person wishing to obtain a grant should cite the persons with a prior entitlement (in this case a sister of the whole blood) to accept or refuse a grant. The citation should be to all members of the class i.e. brothers and sisters of the whole blood, and will clear the way to the next class (brothers and sisters of the half blood) obtaining a grant. Non-Contentious Probate Rule 46 applies.

Property sold under value

My father is retiring and is dividing his smallholding of about 15 acres plus house among his children. My sister lives with him, in return for her taking care of him and he proposes to let her have the house for £10,000 which she and her husband will raise by means of a mortgage. The house and land could be worth as much as £80,000. How will they stand for CGT and CTT? If my father left his property to his children, but died destitute but owing CGT or CTT, could a tax claim be made against us?

If the property is sold to your sister at an undervalue there should be no charge to capital gains tax if the Revenue will accept that the sale is of your father's principal residence. However there could be an increased charge to tax at a later stage if the purchaser (your sister) did not use the house as her principal residence, as an artificially low base line will have been set. But if the house is used as her principal residence there should be no problem. Capital transfer tax would however be chargeable on the element of gift involved i.e. (on your figures) on some £70,000. Tax owed by your father can only be recovered from him or from his estate, not from his children; but the capital transfer tax due here would be chargeable on the transferee (your sister) as well as on the transferor and then (if not satisfied by either transferor or transferee) on anyone in whom the property is vested beneficially.

Price above valuation

The house of a person who died last April was professionally valued at £60,000. After the grant of probate in October it was put on the market at £89,500 but has not been sold and the executors are proposing to withdraw it from the market for a time. Meantime, the district valuers office had suggested that the value for probate should be put at £80,000 plus. Can the matter of the CTT liability be settled? Would it be easier to resolve the matter if the house was transferred to the joint personal ownership of the executors, as beneficiaries, to enable the estate to be wound up?

We think that you can still rely on the probate valuation, if that was agreed, since the higher asking price has not been realised. However, if capital gains tax will be incurred when the house is ultimately sold you may prefer to agree a median figure on the corrective Inland Revenue Statement viz. higher than £60,000 but below £80,000, bearing in mind that the market has risen since the date for probate valuation. An assent to the beneficiaries would not be of any assistance, though it would not attract stamp duty.

An early touch of spring

MINING

KENNETH MARSTON

THE 1980s could well turn out to be the most exciting decade in the history of the world's mining industry. When we eventually pull out of the current recession and living standards start to rise again, especially in the developing countries, there will be an unprecedented demand for metal—a basic raw material which is even more important than oil because it is virtually irreplaceable.

The existing mining capacity, which has shown relatively little growth over the past few years, will be hard pressed to meet the burgeoning demand for metal and we may thus be on the threshold of a major expansion for the industry. By the same token, mining share investors now have the most exiciting money-making opportunities seen for years.

Only a month ago I was basing my share recommendations on this reasoning but I warned that investors should not expect quick profits, but should be prepared to buy the top class mining issues on the long term view. However, the market has already started to move ahead.

Australia's **Western Mining**, for example, which were 180p when recommended on January 5 are now 248p, **Rio Tinto-Zinc** have come up from 340p to 423p and **Selection Trust** have risen from 590p to 720p. I am not suggesting that this pace will be maintained—the stocks mentioned have been given a boost by this week's company news—but it shows how responsive the market has become.

It also shows that the usual considerations of current dividend yields and earnings are given scant attention in a market that is scenting the growth that is to come. Western Mining are showing a yield of less than 2 per cent and if the current year's total distribution is trebled, which it may well be, the return would still be under 5 per cent at the current price.

It is true to say that share prices in general never fully reflect the value of a company's assets—at least, until a bidder comes along—but the gap is probably too wide in the cases of the mining giants when the real value of their assets is taken into consideration, that is to say the cost of replacing their mines and plant at today's high prices.

All this makes encouraging reading for the bulls, but we should still preserve a degree of caution. It should be remembered that the striking increases in 1979 earnings that are being announced follow a particularly poor year and although current metal prices are above those of last year we cannot expect 1980 earnings to show such dramatic increases.

Even so, the companies are taking a confident view of this year's prospects and, as I suggested a fortnight ago, the earlier fears of a recession developing in metal demand later this year may have lessened in view of the likelihood of increased defence spending in the West; already the U.S. budget proposals for 1980-81 contain a rise in defence spending of $15bn (£7.2bn) to $142.7bn.

The giant U.S. **Amax** natural resources group, in which Selection Trust has a stake of 8.3 per cent, certainly expects the upward trend in mineral prices and demand continue. This week the chairman, Mr. Pierre Gousseland, has forecast that the current quarter's earnings will top those of $103m for the final quarter of last year which brought the 1979 total to a record $365.3m, or $6.49 per share, from $160m in 1978.

The top names in the world of nickel, Canada's **Inco** and **Falconbridge** and Australia's **Western Mining**, have also announced dramatic increases in 1979 earnings. Despite a strike at the Sudbury operations which hit production and sales of its copper, Inco has lifted 1979 earnings to U.S.$141.7m (as much as $89.2m was made in the fourth quarter) from $77.8m. During the year Inco received an average price of $2.43 per lb for its nickel products against $1.98 in 1978, while its copper fetched 91 cents per lb against 61 cents. The respective metal prices are now around $3.25 and $1.30.

Falconbridge earned C$48.1m in the fourth quarter which made a 1979 total of C$130.6m against only C$5.8m in the depressed market conditions of 1978. Western Mining, which is also a producer of gold and aluminium, has reported profits for the six months to January 8 this year of A$29.6m (£14.3m) which compare with A$8.04m in the same period of the previous financial year.

Not surprisingly, Western Mining, which bodes to become a giant among giants in Australia, has boosted its interim dividend to 7 cents (3.4p) from 2 cents last time when the year's total was 7 cents. The company has also announced that it expects to get 70 to 75 per cent of **BH South** as a result of its A$210m bid for that Australian base metal mining and investment group.

Early in April we should be getting the 1979 results of **Rio Tinto-Zinc** and they will no doubt follow the general cheerful pattern, even if the firmness of sterling takes a little of the edge off the overseas profits of this international group.

Clues to how things are going have come this week from the **Comalco Australian aluminium, Palabora South African copper** and **Bougainville Papua New Guinea** copper-gold outposts. They all spell a success story.

The return to prosperity in the aluminium market coupled with a profit of A$10.2m on the sale of investments (principally on the stake in **International Containers of Hong Kong**) has left Comalco with a 1979 net profit of A$58.1m compared with A$37.4m in 1978. An increase in the final dividend to 9.5 cents brings the year's total to 14.5 cents against 11 cents.

Palabora has raised its 1979 profits to R45.3m (£24.2m) from R25.7m and has boosted its dividend total for the year to 125 cents (66.7p) from 70 cents in 1978. The performance is all the more remarkable because the need to replace mill shells at the treatment plant caused a copper production loss of 2,400 tonnes; however, the operation was so efficiently carried out that the loss was only half that earlier envisaged.

Last year the average copper price on the London Metal Exchange was £935 a tonne and the price is now in the £1,300 region so here is another base metal mine heading for still higher earnings.

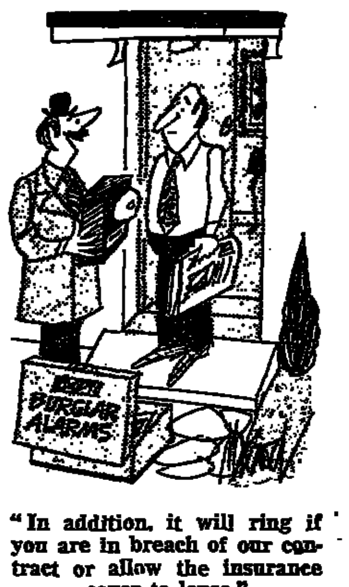
This also applies to the third member of the RTZ trio, Bougainville, which has the additional advantage of an important output of gold; the mine's by-product gold makes it one of the world's major producers of the precious meal.

Bougainville has baked a tasty dish for its shareholders: a 75 per cent rise in 1979 net earnings to K83.9m (£53.5m), a year's dividend total of 40 toea (25.5p) against 15 toea and a scrip issue of two shares for each one held on April 23 next. There is also to be a consolidation of the 50 toea shares into one kina share.

There are 100 toea to the kina, so this means that every two shares will be consolidated into one. To save you going through the calculations it means that a holder now of two 50 toea shares will, after having received his "free issue" shares, finish up with three shares of one kina. And the 1979 dividend total equals 26.7 toea (17p) per share of one kina.

So there it is. Base metal profits, generally, have recovered sharply in 1978 and are starting on the right foot in 1980. There may be flat patches ahead in metal prices and in sharemarkets, but things should come right in the end for the patient holder of good-class mining stock.

How to be happy with your burglar alarm



"In addition, it will ring if you are in breach of our contract or allow the insurance cover to lapse."

INSURANCE

JOHN PHILIP

JUST BEFORE Christmas I wrote on the installation of domestic burglar alarms. I said that if you go to a reputable company approved by your insurers, and therefore most likely a member of NSCIA (the National Supervisory Council for Intruder Alarms), the alarm company's bill will most likely comprise two elements — the cost of installation and the charge for regular maintenance.

This comment was not central to my main theme, but, because of a slip of the pen, it was not completely accurate (as was quickly pointed out by a reader negotiating for the installation of an alarm. True, there are normally two elements—but the second is not just for maintenance but for rent as well.

This is because the major alarm companies do not normally sell their equipment outright to the customer — whether he be an ordinary householder, or a commercial user requiring the alarm for the protection of his business.

The equipment is hired to the customer for an agreed period of years, sometimes three years, often five. The customer pays an annual rent which includes the alarm company's charge for regular inspection and maintenance.

From the alarm company's angle, it is clear that if it were to sell the installation then the charge would be higher. The major companies may be prepared to sell in exceptional cases, but they count hiring of their equipment to be in the customer's interests.

The customer must recognise that all equipment has a degree of built-in obsolesence. It is better for him to be able to ask the alarm company to improve his system as time goes by, at less cost than would be involved in writing off a capital asset and replacing it.

So the argument goes, though this does not deny that outright purchase may in the particular case prove financially advantageous. But accepting that rental of the installation is the norm, what are the normal rental terms?

Though there is no standard form of rental agreement, most contracts cover the same ground in much the same terms. One clause normally found in a domestic contract is that the customer's death brings the contract to an end.

But this kind of clause is to be found in all kinds of contracts made with individuals rather than firms or companies.

The rule that contracts are personnal is basic to English contract law — for example personal insurance contracts terminate with the death of the policyholder unless special provision is made for continuance of cover for the personal representatives.

There is usually another clause terminating the contract on the sale of the property protected by the alarm. But I see nothing wrong in this — if you have a domestic burglar alarm and sell your home, you advise the buyer that he can take on the alarm, on a new contract, just as you arrange for him to take over gas, electricity, water, telephone and so on.

If at the time of moving, the renter wants an alarm in his new home, there must be a new installation, suitable for the new premises — it is not normally possible to move equipment from one home to another, without some adaptation.

In most alarm contracts, domestic or commercial, there is usually an insurance clause, requiring the renter to cover the installation against the usual range of perils insured by a household policy or by commercial fire and perils policies.

The amount is specified, say at 1½ times the installation cost, or at some combination of installation cost and rental, or at five times the annual rental.

The renter is often made liable for all loss and damage, so that if the installation is accidentally damaged he must expect to pay for repairs. The risk of such accidental damage is unfortunately not insurable any more than is positive misuse.

All alarm contracts continue to carry a barrage of disclaimer clauses, designed to protect the alarm company (and ultimately its product liability insurers) from claims for the failure of the installation to operate efficiently or even at all.

From a quick reading of most contracts, it is often difficult to to see what positively the alarm company agrees to do in exchange for its rent, apart from an undertaking to inspect regularly.

To some extent it is necessary to read between the lines, by deduction the alarm company accepts responsibility where its clauses do not deny responsibility—thus it will have to replace parts of the installation that become defective-free, unless the customer is made responsible.

Since the passage into law of the Unfair Contract Terms Act, domestic customers would seem to have a good case for arguing that many of the liability exclusion clauses (as distinct from those dealing with replacement and maintenance) are too onerous—that in the ultimate analysis were they to be sustained, the alarm company could put in an utterly defective installation with complete legal immunity.

JA—4 30

I have not heard or read of any litigation on alarm company exclusion clauses since the passage of the Act, and this does seem to imply that whatever the companies say, they may well act rather differently.

But perhaps the National Supervisory Council for Intruder Alarms should look at the range of contracts in the interests of the customers.

YOUR SAVINGS AND INVESTMENTS

Silver sunshine

INVESTMENT

DAVID LASCELLES

SUNSHINE MINING, operator of the largest silver mine in the U.S. had investment circles buzzing this week with its plans for a most unusual security offering—silver-backed certificates.

If the offering goes ahead, Wall Street experts say, it will be the first of its kind since 19th century gold and silver diggers financed their mines by promising investors a share in their finds. If it works, it could open up a whole new area of business finance, with gold, copper, even agricultural commodity certificates.

Full details of Sunshine's plan will not be available until the prospectus comes out next week. But broadly, the offering will give investors an opportunity to play the silver market with a level of risk more akin to the bond market.

Sunshine will issue $50m worth of $1,000 certificates, each redeemable within 15 years at the market value of a given quantity of silver, or $1,000, whichever is the greater. The certificates will also pay interest like regular corporate bonds.

Sunshine has not yet said, though, how much silver the certificates will represent, and how much interest they will pay. These points are crucial to the whole plan, and the final terms will require some subtle market judgment by the underwriters.

Supposing the certificates are valued at today's silver price of around $35 an ounce, each will represent about 28 ounces of silver. When investors come to redeem them, they will get the cash value of 28 ounces at the time.

If silver goes up, they will obviously make a profit. But if it goes down, they will still get their $1,000 back.

So where is the risk? The risk lies in the fact that the certificates will not carry terms as generous as those in the example above. The amount of silver behind each certificate will almost certainly be valued some way above the market price, and the interest rate will probably be lower than that prevailing in the corporate bond market.

So the yield will be small, and the price of silver will have to rise some way before the investors makes a capital gain.

There is a further risk in the fact that the certificates will be backed by as yet unmined silver. But Sunshine is confident that there will be enough of the metal to redeem the issue.

It plans a massive investment in its silver operations in the 1980's, and expects to raise production from 5m oz last year to over 9m by 1985.

For Sunshine Mining itself, the attraction of the issue is the opportunity to raise money more cheaply than through a regular bond issue.

On the other hand, Sunshine will be foregoing the right to the profits on the silver it is pledging to the certificates, because the investors and not the company will enjoy the gain.

A taste of things to come

LLOYDS BANK this week launched a major campaign to woo the unit trust investor. Its first fruit, a new Smaller Companies and Recovery Fund is offered for the first time today but according to the men at Lloyds this is merely a taste of things to come.

Other specialist trusts will follow in the next few months with an International Technology Trust, still awaiting Department of Trade approval, likely to be next off the starting blocks.

All this, you might say, is ambitious stuff given the low level of net unit trust sales in 1979. But while Lloyds' plans may well give heart to those currently disillusioned by the outlook for unit trusts, they will also add fuel to the case of those who complain that there are already a bewildering number of funds to choose from.

Lloyds Bank's unit trust team has kept a low profile since the launch of its last new fund in 1976. The Bank, however, has now realised that its four existing funds — Balanced, Worldwide Growth, Income and Extra Income—cannot appeal to investors who have definite ideas about the sectors in which they want to invest.

In the meantime specialisation has increasingly been the name of the game and while some specialist trusts have done badly, others have often topped the eye catching and influential performance tables.

While Lloyds Bank's expansion plans are perhaps the most conspicuous, other high street banks are also bearing the signs of a new broom. National Westminster, for example, after the successful launch last November of its new Smaller Companies Fund, says it is just waiting for the right market conditions to add to its range of specialist funds.

Mr. Mike Lovett, the bank's unit trust investment manager, says these are likely to be in the international arena where the group's banking activities have been expanding. The Trustee Savings Banks, meanwhile, which is now among the 10 largest unit trust groups, is also planning to launch a couple of overseas funds, most probably invested in North America and the Far East, by the end of the summer.

The other two unit trust operations run by banks have somewhat different origins. The Unicorn group was acquired by Barclays when it took over Martins Bank while the Australian part of the portfolio was added with the Southern Cross takeover. Midland meanwhile, picked up its unit trust business when it took over Samuel Montagu.

Although they all have different histories, the performance of bank owned unit trust operations has been mostly disappointing.

Barclays Unicorn easily comes out best with seven of its funds beating the FT Actuaries All Share index in the three years to February 1 1980 (reinvesting net income), six out of 11 achieving the same goal over seven years and four out of seven bettering the market barometer over ten years.

Over three years, however none of Lloyds' four or Nat West's six existing funds matched the FT Actuaries All-Share, while Midland succeeded with only one out of its five.

Over seven years Lloyds did better than the index with one out of three, and Midland with two out of five, while Nat West again failed to score. Over ten years, however, two of Midland's five did substantially better (they were in the top ten best performing unit trusts).

Poor overall performance, however, almost certainly explains the relatively disappointing sales of units notched up by the bank unit trust teams over the past few years.

In theory, the banks have a tremendous marketing advantage both in their branch networks and in the role of the bank manager as independent financial adviser.

In practice, of course, they do sell a significant number of units through their branches. But as one investment manager ruefully admits, "The bank manager is always in the front line. If he sells the customer a dud unit trust he gets it in the neck. As a result if we don't perform he simply switches off."

Tim Dickson

Snare for parents

COVENANTS are undoubtedly one of the most efficient ways of handing over money to youngsters. If you agree to make regular payments for at least seven years, the recipient can reclaim any basic rate tax you have already paid. In other words, for every 70p you give, the Inland Revenue chips in a further 30p.

There is, however, one important condition attached to these schemes. Adults are not allowed to covenant gifts to their own children.

Over the years many people have no doubt tried in vain to find a loophole. This week, for instance, a Cheshire reader put forward his simple attractive (but alas illegal) way out.

He suggests making covenants to his nephews and nieces, while "simultaneously my children could receive equal covenants from the respective uncles or aunts."

"Sums," he goes on "would merely be transferred between the various parents' bank accounts and subsequently the children of each family would be able to claim the basic rate refunds from the Revenue."

It all sounds too easy and a quick check with the Inland Revenue confirms that it is. "This is an old chesnut," the Revenue said. "When you sign the covenant form you also have to sign a certificate saying that there is no reciprocity. This effectively stamps out any back to back arrangements."

Top-up time for self-employed

PENSIONS

ERIC SHORT

IF YOU are self-employed, check your pension arrangements before the end of the tax year on April 5. The chances are that the current rates of inflation will have made most plans obsolete, even those set up 12 months ago. And assuming your earnings have gone up, you could take immediate remedial action.

By looking at your present arrangements you may well see that the pension you expect at retirement does not look as favourable as when it was first established. This is because few investment managers have managed to outperform inflation over the past year.

One alternative is to do nothing and hope that the life company's investment performance improves. But a more realistic approach would be to add to your existing plans, providing of course that you are not already contributing the maximum permissible.

If your rise in earnings over the past year looks permanent, then you could consider taking out a further regular savings plan. The advantage of a regular plan is that it imposes a financial discipline on savers who are liable to use the money for other purposes, including reinvesting in their business.

On the other hand, you may feel that you do not want to commit yourself to a higher savings level on a regular basis. In this case you could think about a once-off top-up through a single premium contract and review the position next year.

Single premium contracts tend to be played down by many pensions advisers, if only because the commission paid on annual premiums is more attractive.

On past performance however, a series of single premium contracts would have provided a better pension at the end of the day than the corresponding regular savings plans, especially for traditional with-profit schemes. With annual premium schemes, the actuary has to take a cautious view of future interest rates. He can be more certain with single premium rates.

If you only have a short period to retirement, say less than five years, you should certainly top-up with a single premium plan. Under current investment conditions, the return is far superior to that offered by regular savings schemes.

Moreover, if this single premium scheme is a top-up arrangement, you can afford to be more adventurous and use a linked-scheme. The Save and Prosper Group, for example, has just revised and modernised its single premium self-employed plan. Investors have a choice of five funds, including a cash fund, with full switching facilities. The investment is 100 per cent into units, though there is a set policy fee charged.

The Group has justifiably suffered a lot of criticism recently on its unit trust performance, but the latest survey of exempt pension schemes made by Wyatt Harris Graham show a good performance for all S and P's pension funds, especially its property fund.

If you are looking at a linked scheme, you should check that you can switch into a cash fund. This feature is essential for any linked plan, since the investor needs to be able to avoid cashing-in in a depressed equity market. The investor needs to be able to switch to cash ahead of retirement and preserve the value of the policy.

Although almost all traditional life companies offer a single premium with-profits plan, some linked companies still do not have a single premium scheme in their product range, the most notable being Hambro Life.

Nevertheless, the self-employed have a wide range of schemes from which to make their choice. Complete details of all such schemes are given in the latest Self-Employed Pensions Handbook, published by Money Management.

Details from The Book Sales Department, Financial Times Business Publishing, Greystoke Place, Fetter Lane, London EC4A 1ND.

Hopes dashed

BY MARTIN TAYLOR

WHEN Minimum Lending Rate (MLR) was raised to 17 per cent in November, bringing higher mortgage and overdraft rates in its gloomy train, the view was widespread in the City that these record interest rate levels would not last very long.

The Government's immediate objective had been to regain control of the money supply by attracting large sums of money into gilt-edged stock, and in this at least it was successful.

A burst of sales was made in late November, some more the following month, and then in January tap stocks were swallowed up almost as fast as the Government Broker could issue them. At the very least, it seemed, MLR was bound to fall in the Budget in March.

But the banking statistics for the five weeks to mid-January, published on Tuesday, spoiled this cosy picture. The figures showed that bank lending to the private sector, one of the principal constituents of money supply growth, was still growing alarmingly fast in spite of the deterrent effect of high interest rates.

No one had expected bank lending to be weak in January. After all, companies were forced to borrow to make Corporation Tax payments, to meet their end-year bank charges and to finance stocks that they were unable to sell because of weakening demand.

But the absolute level—the clearing banks alone advanced £1.8bn in the five weeks—was still disappointing.

The Government will now be anxious at all costs to avoid having to raise rates again soon after lowering them. MLR now looks unlikely to fall before May, and it may take a little longer.

Tom Dickson writes: City hopes of an early fall in MLR may well have been dashed, but savers can take comfort in the high returns they are still being offered for their money. This week, for example, the coupon on local authority yearling bonds reached a record 16 per cent while the Bridgwater Building Society introduced a new option with its 17-month fixed rate shares guarantee. This provides a return of 11.55 per cent net (16.5 per cent gross to the basic rate taxpayer) until June, 1981.

Bridgwater Building Society's fixed rate bond follows the recent examples of Leamington Spa Building Society (which offered 12.6 per cent net over one year) and the Alliance (which offered 11.5 per cent up to December 31).

The attractions here are that these returns are fixed whereas the interest on other building society investments are likely to come down when MLR fall

PROPERTY

Desperate measures

BY JUNE FIELD

BUILDERS AND estate agents are promoting more money-saving schemes to keep the market moving. Discounts to encourage purchasers to exchange contracts quickly is currently a popular ploy.

On average, new house purchasers exchange contracts 15 weeks from the date they pay their deposit, Mr. Tony Longman, sales director of Crouch Homes says. His company is giving discounts of between £90 and £260 for each week that a purchaser of certain of their homes completes ahead of this average.

So far 30 houses on Crouch sites have been offered on the "Selling Price Incentive Scheme," of which 10 have been sold.

For example, assuming the purchaser of a £55,000 Crouch house at Grayshott, Surrey, exchanged contracts seven weeks from having paid a deposit, they would "gain" eight weeks at £200 per week, totalling £1,600 off the purchase price.

Mortgage assistance is available from the Abbey National, Nationwide, and Bristol and West Building Societies.

Details, Tony Longman, Crouch Homes, Southerland House, Surbiton Crescent, Kingston-upon-Thames, Surrey (01-546 2131), who will also send information on their sites which include Eastleigh, Hants (from £24,000), Pillaton, Cornwall (from £26,500), Withington, Herefordshire (from £29,500), and Langley, New Forest (from £46,000).

The incentive scheme does not apply to all plots, only those near completion and remaining unsold. Two such plots were originally nominated on the Norris Nurseries site, East Preston, near Littlehampton, West Sussex. One has been sold, the remaining one is plot 28 to which a reduction of £130 would be offered to a purchaser on each week by which they beat the 15-week completion period.

In December one firm of agents found London's top residential market "so inactive, with vendors filled with growing disquiet," that they persuaded them to offer their properties at a 5 per cent discount on sale contracts exchanged last month.

Miss Jan Meyer of Foreign and Residential Estates explained: "With the resultant speed-up in the completion process, in many cases vendors recouped the difference from the interest achieved on the money; and this "January sale" generated so much business in the Hampstead area that we had to cancel some of our marketing for two weeks in order to cope with the response."

Their second innovation has been to advise some owners to become mortgagors on their own properties. "This is constructive inasmuch as major reconstruction or refurbishment are often required, and mortgage facilities for this are rarely available. In the event of the proceeds of the sale forming part of death duty settlements, a mortgage is deemed to be worth less than its transactional value without impairing the liability."

Miss Meyer insists that they "aim to provide the sort of total personal service that will enable their clients not only to achieve self-preservation, but self-improvement in spite of the difficult market, and against the social pattern."

For details contact her at Foreign and Residential Estates, 6 Erskine Road, London NW3 (01-586 8387). Their portfolio includes family houses for sale in the exclusive Bishop's Avenue, N2, an 8-bedroom house with a flat attached in Redington Road, NW3, and a 4-bedroom penthouse apartment in Prince Albert Road, NW8 (all in the £200,000 upwards bracket); plus houses and apartments in NW3 (£100,000-£200,000), with apartments under £50,000 in NW6.

The company also wants to hear from those with top quality properties to sell or rent. "We have applicants who are not dependent on selling or the UK bank rate, and would-be tenants among those in the purchasing sector who need to know the area while they house-hunt, or are waiting for possession."

In spite of the high costs of restoration, enterprising developers and small builders are still prepared to take on the job of rehabilitating old property.

The hardest task, though, they admit, is finding the craftsmen who are able, and willing, to involve themselves in the skilled work necessary for such things as re-plastering cornices, renovating inglenook fireplaces so that they function properly, making Georgian sash windows draught-proof, handling the one-off joinery items needed to match in with existing fitments, and so on.

For those contemplating conversion, there is an excellent new edition of The Guild of Master Craftsmen *Directory of Members 1979-80*, which lists restorers, carpenters, damp-proofers, glaziers, wrought-iron specialists and the like around the country (£4.95 from Bernard C. Cooper, The Guild of Master Craftsmen, 10, Dover Street, London, W1, or free if you subscribe to the quarterly *Master Craftsman journal*, £9.50 a year).

Entries include D. Scott, DAT Home Improvements, 58, Main Street, Newthorpe, Nottingham, who undertakes old cottage conversions, and the making and fitting of "olde worlde" beams; Peter Kevin Harvey, c/o Hill-Haven, Bridlewell Lane, Botesdale, Diss, Norfolk, who restores period properties with special attention to archways, domes and herringbone panels, and A. J. Comber, Broadway Building Company, 207, Moordown, Shooters Hill, London, SE18, whose speciality is roof work on "listed" buildings; the "Roof-Bond" process is used, which is carried out from the *underside* of slate roofs—so that the original appearance is retained. Each slate is bonded to its batten, thus eliminating them slipping due to "nail-sickness."

Country houses are still a worthwhile proposition for conversion into flats. In many cases this has proved their salvation, as otherwise they might have been left to fall into complete decay.

Jackson and Jackson has recently been instructed on the interesting conversion of Hengistbury House, Purwell, Christchurch, Dorset. Mr. James Murray, one of the partners, told me: "So often it is difficult to gauge what the market requires."

Little is known of the history of Hengistbury House apart from the fact that it was built in the last century, and up to about five years ago it was used as an hotel. For four years it lay empty, and planning permission was sought and gained for office use, but still the property would not sell, until an enterprising developer by the name of Howard Hughes bought it and obtained planning permission to convert it into living units.

The house is being split into three self-contained maisonettes and prices range from £42,500 freehold. Details James Murray, Jackson and Jackson, 23 Old Milton Road, New Milton, Hampshire (0425 614162). Open Saturday until about 5 pm.

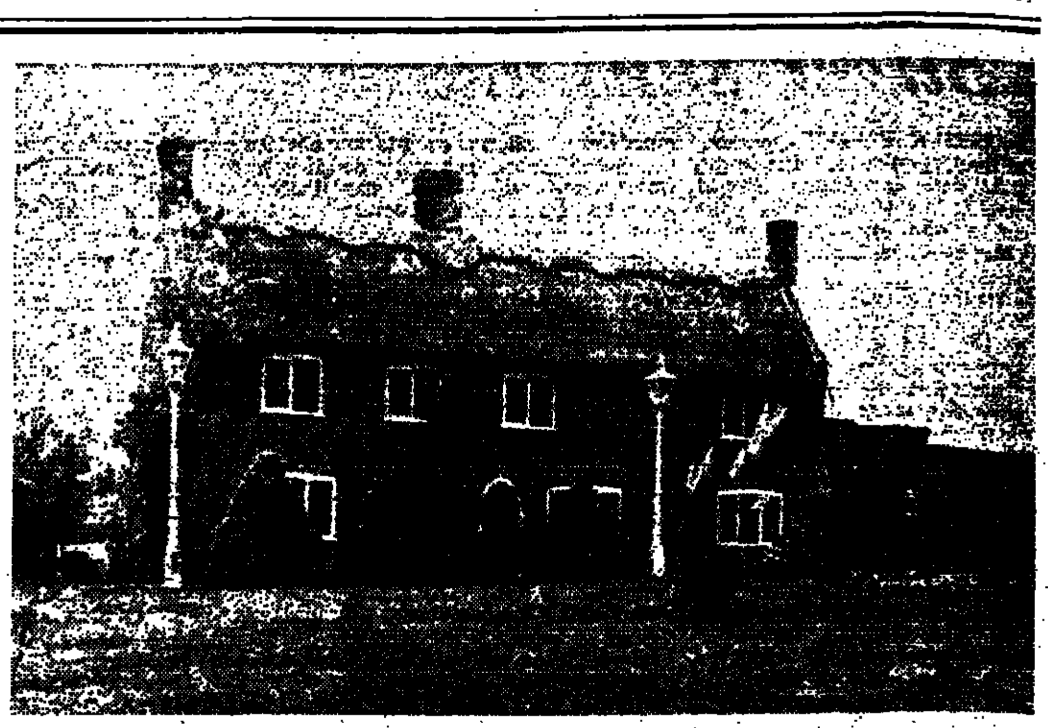
Mr. Murray will also send details and plan of the old Methodist Church, Middle Road, Sway, in the New Forest, near Lymington, Hampshire, if it is still on the market.

Planning permission has been granted for the conversion of the existing building into a three-bedroomed bungalow. "Our builder-client is quite prepared to do the work for anybody, and is offering it for sale as it stands at £32,500, or fully converted for £45,000 freehold.

Mr. Paul Jackson, at Jackson's Lymington office at The House On The Quay offers an attractive first-floor two-bedroom apartment with a balcony in the converted Victorian Quarr House at Sway. A separate garage and shared use of the garden is included in the £40,000 being asked for the 90-year lease; the maintenance charge is approximately £55 per quarter.

De Langle House in the village of Chartham, near Canterbury, is the larger part of a period mansion believed to have been built for the Rev. J. M. de L'Angle, rector of Chartham and a Cannon of Canterbury Cathedral. It is understood that he accompanied Charles II when travelling abroad, which no doubt accounts for the fact that there is a bust of the king on the front of the house. £67,600 is being asked for the 5-bedroom, 3-bathroom house, old coach house and stables, by Richard Finlinson, Ashendens, 61, High Street, Ashford, Kent (0233 24315).

Four Winds, Hatchett Gate, near Beaulieu in the New Forest, is a 3-bedroom, 2-bathroom house with a 3-bedroom self-contained annexe. There are also 3 loose boxes, tack room and hard tennis court in about one acre; £97,500, through Paul Jackson, Jackson and Jackson, The House On The Quay, Lymington (0590 75025).



Offers in the region of £60,000 are being invited for the the 400-year-old, 4-bedroom Church Cottage, originally thought to have been a Priest's house, at Halvergate, near Norwich, Norfolk. Complete restoration was carried out about 10 years ago. There is also a detached 2-bedroom bungalow in the ½-acre garden. Details George Eve, Savills, 8 and 10 Upper King Street, Norwich (0603 612211).

RESIDENTIAL PROPERTY ALSO APPEARS TODAY ON PAGE 4

GARDENING/MOTORING

Dahlia Collarette Dandy is a perennial best grown as a half hardy annual

Half-hearted hardies

BY ARTHUR HELLYER

IT IS NOW TIME to consider the half hardy annuals. These are the plants that are raised anew from seed each year and are discarded when they cease to be decorative, but are too tender to be sown outdoors until quite late in the spring when there may be insufficient time left for them to make any kind of satisfactory display before the autumn.

Strictly speaking annuals are plants which in nature renew *themselves annually in this way* without making any attempt to overwinter but in gardens the term "half hardy annual" is usually extended to include all those plants most conveniently and economically grown in this way. Thus antirrhinums, scarlet salvias, Begonia semperflorens and even lobelias and ageratums are all grown as half-hardy annuals though, *if* the temperature can remain sufficiently high, they will *continue to grow* for years as they occasionally do in the milder parts of the country.

True annuals are by nature fast growing; they have to be for in the wild their growing period, determined mainly by rainfall, is usually short. So in gardens some can be sown as late as April with good prospect of success though from such late sowings the flowering season will also commence late. Still that can be useful for *succession and gardeners who* lay great store on maintaining a lot of colour throughout the summer *may consider it worth* while to make two sowings, one in February or early March, the other late in April so that they have two batches of plants flowering one after the other.

Another advantage of sowing in April is that the sun is mounting higher in the sky, days are lengthening and there is much less need for artificial *heat. But it is not a satisfactory* method to apply to the perennials grown as annuals for they *have not learned the trick of* completing their growth cycle rapidly. Of course they can be *hurried up by* treatment with hormone type chemicals, which tell them to stop growing and start flowering, and such methods are now widely used commercially and in public parks, but the chemicals are not readily available for home use.

So the slow growers, the *antirrhinums*, begonias, scarlet salvias and pelargoniums, must be sown early, in February for preference, and that means *artificial heat. The most* economical and satisfactory way to provide it is within a propagater fitted with *its own heating* unit and thermostat. In this the ideal, evenly warm and damp atmosphere can be maintained cheaply and without fuss The best germination temperature for most half hardies is in the middle 60s Fahrenheit, or say from 16 to 19 degrees Centigrade. It does not matter if it falls a few degrees at night, but not too much, and the air needs to be still and damp. It is possible to get *some of* these conditions indors in a centrally heated room or even in an airing cupboard *but the air is* nearly always much too dry. In this respect kitchen or bathroom are often better than a living room or spare room.

Most seeds germinate best in the dark and, since many are tiny, it helps if the soil can remain moist for a fairly long time without need for seed-disturbing watering. For all *these reasons it is good* practice to cover each seed pan or tray with a sheet of glass and to *cover the glass with a single* sheet of newspaper which gives just about the right amount of shade.

Whatever one may think about peat composts for fully-grown plants there is no doubt about their advantages for seed *germination. They are clean* and sterile, free from weed seeds and retentive of moisture once they have been well wetted. They are also porous and they warm up well and these are all things that seeds and seedlings like. It is possible to use ordinary medium-grade sphagnum peat with the lightest of light dustings of bonemeal or Phostrogen but it is probably safer to buy one of the ready-made peat-based *seed composts which have the* right quantity of the right fertilisers properly mixed in. Whichever course is taken, make quite certain that the peat is thoroughly moist right through and then leave it for a few hours so that surplus water can drain away before it is put into the seed pans or trays.

Do not fill these completely but leave a centimetre space at the top so that a sheet of glass can be *laid* across the pan or tray without touching the soil. Firm it lightly with the finger tips, then give the pan or tray two or three sharp raps on a firm bench to settle the compost evenly, and finally smooth the surface with a block of wood.

Some seeds are large enough to be spaced individually, an *easy method being to scatter* them on a sheet of glass, place this across the pan or tray and then push *the seeds one by* one over the edge with the point of a pencil or penknife. If the glass is drawn back slowly it will be possible to space the seeds quite evenly and this is good because it means that the seedlings will have adequate room and it will be *easy* to transplant them later on.

Very small seeds cannot be sown easily in this way and must be sprinkled over the surface *direct from* the seed packet or from one of the small seed sowers manufactured for the purpose. It is not always easy to see just where the seeds are falling and if they are dark it can help to sprinkle some silver sand over the peat first.

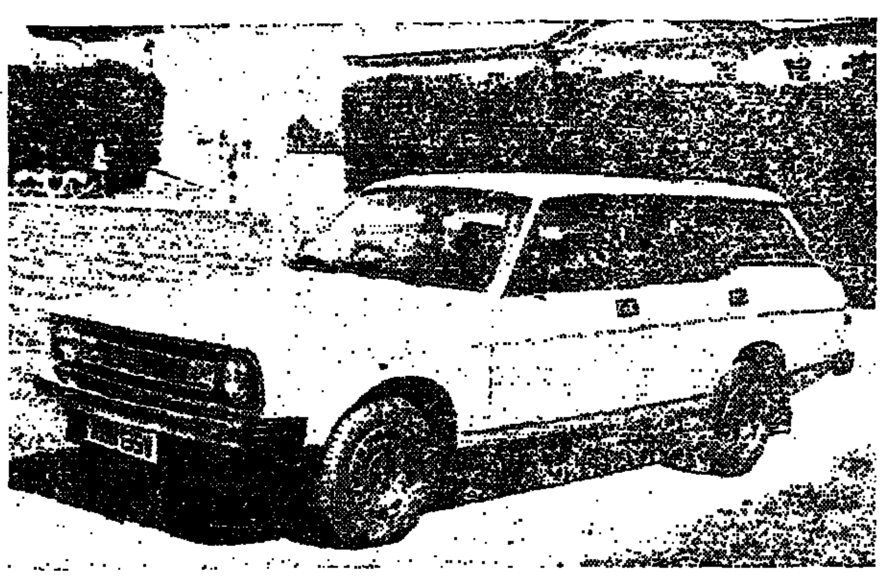
Under-glass covering can be much lighter than out of doors. The smallest seeds, such as those of begonias, need not be covered at all and the larger seeds can have a sprinkling of seed compost sufficient to put them completely out of sight but no more.

If the compost was suitably moist before the seed was sown it will only be necessary to give one more light watering, using a watering can fitted with a fine rose, before putting them into the propagator or whatever other place has been chosen for germination. Even this may be too disturbing for tiny seeds which are better watered by holding each receptacle for a few seconds in a tank or basin *of water with the rim just above* water level so that water does not spill over the top but rises *slowly from below. Even then* care is needed not to float off the surface layer complete with seeds.

Germination time varies greatly according to the kind of seed being sown and also its age and the way it has been stored. *Some seedlings may be appear*ing in a week, others may take two or three times as long.

First transplanting, known as pricking out, should be done as soon as seedlings can be handled. Dig them out with a sharpened stick, a plant tally or a "Widger," an ideal tol for this kind of work, and replant them at once in other pans or trays *filled with similar compost.* Space them 3 to 4 cm apart and, as soon as their leaves touch, move them again, this time into a peat based potting compost which will be considerably richer and will meet the increasing demand for food. This time they can be potted singly in small peat, plastic or clay pots or they can be planted in deeper trays spaced 6 to 8 cm apart. This should give most sufficient room to grow on without overcrowding until they can be planted outdoors some time in May or early June. Well before *that time they must have been* fully acclimatised to outdoor conditions by allowing the temperature in greenhouse or frame to approach ever more closely to that outdoors, until for the last week they require no protection at all.

The Allegro 3 1.7HL; sharper and quicker than earlier ones.



The Marina 1700 HL estate; smartly turned out and of a convenient size.

Here until something better comes along

BY STUART MARSHALL

UNTIL something better comes along (like the BL-Honda *Bounty next year and the car* code-named LC 10 in 1983) the Marina and Allegro are keeping *BL afloat in the medium-size* family-cum-fleet market.

They are old. The Marina is nine, the Allegro seven. Neither has had any significant restyling in its lifetime. The Marina sprouted an air dam a year ago and is due for some sheet metal reshaping front and back later this year.

Externally, the Allegro really *hasn't changed much, either.* The latest Allegro 3 has a new grille with twin headlamps, black bumpers, tidier light clusters and an air dam. It manages to look altogether sharper and more attractive.

The Marina, it has to be said, is a car one cannot enthuse over. It epitomises everything that s ordinary and straightforward, just as the Ford Cortina does, and for a good reason. British Leyland created the Marina so *it could challenge Ford's iron* grip on the fleet market in the late 1960s. Fleet buyers like *uncomplicated cars. Hence the* Marina's conventional layout and leaf-sprung back axle.

The Allegro's ancestry is quite different. It was developed out of the very successful *Austin/Morris 1100* range. Front wheel drive and all-independent air/fluid suspension were considered more likely to impress the private buyer than the fleet manager.

Import penetration of the British market was rising strongly when the Allegro was launched and it has never matched the old 1100's success *nor the Marina's popularity.* Last year, though, it was only just pushed into fifth place in *the UK "Top Twenty" by the* Marina, which scored 62,140 registrations compared with the Allegro's 59,985.

Sir Michael Edwardes tells us that buying BL would be good for his company and the nation. No doubt: but what sort of car *does the motorist who chooses* a Marina or Allegro get?

In the last few weeks I have *driven them both.* First I tried a Marina—a 1700HL Estate, fitted with the overhead camshaft engine introduced in the Princess II and smartly turned out with tinted windows and matt black body detail. The Marina shows its age by having a shallow screen and small *windows but it is of a con*venient size. It would suit those who find the Cortina too *big, the Escort too small.* Despite its lack of bulk, it has a generous load platform and will take five people at a pinch, four in reasonable comfort.

Substituting the 1.7 litre engine for the old 1.8 litre has done little for refinement. A *mildly irritating boom started* at just under 70 mph but could be avoided by cruising at 65 *mph, at which the Marina* was agreeably quiet. The ride was reasonable: the steering light, with an excellent lock: and the gearshift pleasant. The HL specification includes a MW/LW radio (which worked very well indeed), nice velour seats with head restraints—and a tachometer I'm sure 95 Marina buyers in 100 would gladly do without.

My 28 mpg represented an average mix of town and country motoring. The Marina seemed to me ideal for a buyer who is not interested in cars, wants undemanding transport and cares above all about reliability. (A 1.3 Marina Estate I ran for *nearly three years was as excit*ing as cold suet pudding but never failed to start, go and *stop according to my modest* demands.)

The £4,957 list price for the *Marina 1.7HL Estate should be* regarded as a starting point for negotiation. BL's network are offering some very good deals just now.

The Allegro 1.7HL I tried next felt so lively that I wondered if I had under-rated this car in the past. It zipped up to 70 mph in third gear and 90 mph in fourth and BL's claimed maximum of 100 mph in fifth seems reasonable. Although it has the Maxi's 1,748 cc engine, *not the Marina 1.7's* "C" series, the Allegro also boomed at 70 mph, which made *motorway travel noisier (or* slower) than it need have been. The gear ratios are good though the five-speed shift is inelegant. Will Honda show BL how to make one that works properly? But the Allegro's steering was sharp and it handled well on wet, winding roads.

Driven rather more briskly than the Marina, it returned 29 mpg. It would stand higher *overall gearing.*

The interior is attractive, with a restyled fascia putting the instruments in full view above the four-spoked wheel. Like the Marina HL, the Allegro has illuminated switches and an efficient, easy-to-control heating and ventilation system. The glove box is enormous, the boot adequate if you don't mind *going down on your hauches to* load it up with heavy cases.

As with the Marina, the Allegro 1.7 HL's list price of £4,671, which includes a good radio with twin speakers, should not be taken too literally.

Patriotic considerations apart, are the Marina and Allegro worth buying? That must be the purchaser's decision, but I will say this. Anyone looking for a roomy though not bulky estate, or a compact and quite urgent saloon, will find them well worth trying before making up their minds on their next car.

First find your salmon

FISHING

JOHN CHERRINGTON

I HAD HOPED that by this time I should have had my first *day's salmon fishing. And to*wards the end of January there was a chance that the lower Wye would have been fishable. There had been a long period *with frost* and dry weather when the level was falling and the water was clearing. According to the South Wales River Board's excellent reporting service *conditions on the opening* day above Hay were possible for salmon fishing. These conditions *might develop downstream* should there be no rain or thaw.

It is possible to interpret the changing river levels and estimate the chances on any particular stretch from this information. The Board gives the heights at various points from *Mondays to Thursdays,* but on Friday afternoons gives a more detailed summary including *something about colour and* fishing possibilities. On one occasion last year it mentioned that some salmon had been seen and even caught.

In general colour is more important than the height of the river. If the water is like a thick brown soup full of the rich alluvial soil of the county *of Hereford it is very unlikely* that a fish would have any interest in anything but forcing *its way upstream. In any case* it would see nothing more than a few inches from its nose and the chances of getting a bait within a few inches of a fish's nose in a flooded river is most unlikely.

So if I could suggest to the *Board an improvement in its* service it would be that it should accompany the height in its daily report with a measure of the colour as well. It would save many people a lengthy journey.

The key reports as far as I am concerned are the heights of the river between Erleigh, near Builth Wells, and Hay on *Wye, and then again between* Hay and Hereford. These are given in relation to summer *level and from them one can* get a preliminary idea of how the river will behave. If for instance both stretches are showing a falling tendency the river will probably fall down stream. But if that between Hay and Erwood is rising the bulge is likely to bring the river up within the next 24 hours.

Then there is the height at Hereford. I have always found that one can add 2 ft on the Hereford level when it comes to the Lower Wye. In fact the bulletin now does give the level of the river between Hereford and Monmouth. But the fly in the ointment is the River Lugg, *which drains some of the best* land in the county, and is responsible for most of the *colour below Hereford. In fact* the Wye would have been a *much better river if the Lugg* had been used for some industrial process, and denied *its outlet to the main stream.*

If the report says that the Lugg is much more than a couple of feet above summer level, and particularly if it is rising as a result of summer thunderstorms; consult some local oracle.

But the Lugg is not the only villain. I once had a very good morning near Ross, and although I caught nothing I saw two fish follow my bait and then moved on to a very good stretch *below Monmouth for the after*noon.

After setting up I approached the water, only to find that the river Monnow had risen overnight and coloured the water enough to make it absolutely unfishable and rather deep. By the time I had retreated back upstream to fish out the evening *near Ross a thunderstorm had* swollen the Lugg and the water was colouring quite nastily. *So local intelligence is* absolutely essential if it can be laid on.

But for a start the Board's fishing information can be *secured by dialling Hereford* (0432) 55333.

TRAVEL

Venice on foot

BY B A YOUNG

THE PRESENTATION of the Bolla Award to Lady Thorneycroft was what took me to Venice. The Bolla Award is given annually by the House of Bolla, vintners in the Veneto, to the British citizen who has done most for Venice during the year. Lady Thorneycroft—Venetian by birth—is a vice-chairman of the Venice in Peril Fund.

The achievements of the Venice in Peril Fund are to be seen from top to bottom of the city, and to visit them out of high season is ideal. Given fortunate weather, November will do too; but I think one should wait for the early spring. At whatever time of the year, such a visit will be far more than duty, for Venice comes to life in a delightful way when the proportion of Venetians to tourists is higher; and there are other things to do besides visiting churches, even if that is the principal object. There's the casino, there is opera, music, theatre for those who can understand Venetian.

But to pay homage to Venice in Peril you can start in St. Mark's Square, where everyone starts anyway. At the foot of the Campanile, Sansovino's logietta gleams now from the fund's attention as if its bronze and marble figures were fresh from the sculptors' workshops.

Beyond that is the Porta della Carta, which divides the Doge's Palace from St. Mark's and leads into the Palace courtyard. This is a beautifully decorative gate in pink and white marble featuring the Lion of St. Mark guarding a book under his paw. In its new brilliance, it was dedicated by Princess Alexandra in May last year.

Two churches comprehensively restored by Venice in Peril stand at opposite sides of Venice, or rather at opposite sides of the main part of Venice, north of the Giudecca canal. And here a short interpolation on getting about Venice, which is much easier than people think when they arrive, but can't be done sensibly without a pocket-sized map.

The best way to get about Venice, frankly, is on foot. It's much smaller than it seems. You can walk from St. Mark's to the Rialto in 10 minutes, to the railway station at the foot of the Grand Canal in 20, and very enjoyable waks they are. They are generously signposted, but it is easy to lose your way and go 200 yards up a canal and find yourself at a dead end. Hence the need for the map.

For those who dislike walking, there is a plentiful service of *vaporetti*, which are water buses. It is as useful to know the numbers of *vaporetto*-routes as to know bus-routes in London. Of course they won't take you to your doorstep; you can get a *motoscafo*, a motor-boat taxi, for that. And if you feel romantic, there is always a gondola. *Vaporetto* fares go from about 300 lire up; a taxi from the station to St. Mark's might be 10,000; a gondola from the Gritti Palace Hotel to St. Mark's, a distance of about 750 metres, cost three friends of mine 10,000 lire *each*.

So to reach Venice in Peril's great work on the church of the Madonna dell' Orto, at the extreme north, you could walk all the way, as I always do; or take a No. 1 *vaporetto* to S. Marcuola and walk from there; or take a No. 5 *vaporetto*, all the way. Useful to get to know S. Marcuolo; it's the stop for the municipal casino, which is on the Lido in summer but in the Palazzo Vendramin on the Grand Canal in the winter.

The Madonna dell' Orto was Venice in Peril's first project. It was Tintoretto's parish church, he is buried there, and it contains a number of his paintings, including enormous ones on each side of the high altar. V.I.P., as the addicts call it, restored the pictures, renewed the interior paintwork, returned the high altar to its original simplicity, re-laid the floor and actually had a damp course built into the fabric of the church.

Across the island (Venice is really 120 islands, but this is only a footnote in practice) the little church of S. Nicolò dei Mendicoli stands in a rather run-down neighbourhood. It is small, but very pretty and very old—founded in the 7th century, though bits have been added to it at various times until the 17th century. All the pictures, decorations and figures have been restored; new roofs have been built, and once again a damp-course inserted into the walls. The historic organ has been repaired. S. Nicolò isn't easy to find (either take a No. 2 to the Piazzale Roma or a No. 5 to the Zattere and use your map) but it is well worth the trouble.

If you come by the Zattere, you pass S. Sebastiano, easily my favourite Venetian church. A friendly old sacristan wanders round the church with you and lends you slabs of mirror to look at Veronese's paintings of the story of Esther on the ceiling of the church, and of the Virgin and the four Evangelists on the ceiling of the sacristy.

Since I have strayed from Venice in Peril (though I have not recounted anything like all they have done), and since it looks as though I am dealing only in churches, there is one more that must be seen on even the shortest visit to Venice. This is Santa Maria dei Miracoli, a short walk from the Rialto, an easy walk from St. Mark's by way of Santa Maria Formosa (just follow the signs).

You can't visit churches all day, of course, but there is plenty to do even in off-season Venice. If it's not raining, if the tide hasn't submerged the square, you can drink coffee and listen to the band at Quadri's or Florian's, or take a Tiziano (grape-juice and Italian sparkling wine) at Harry's Bar. The smaller streets away from the tourist-centres are charming, and may give you a sudden glimpse of wood-carvers, frame-makers, restorers of musical instruments. At night there is the casino, where you can dine as well as gamble, and dance until the late hours. I have been to Venice at almost every time from April to November and never found it dull.

Whether you are there for pleasure or mere education, take Hugh Honour's *Companion Guide to Venice* (out of print, but borrow it), which will fit pocket or bag. James Morris's *Venice* (Faber, paperback £2.95) is about Venetians rather more than buildings. Venice in Peril has published *Art and Architecture in Venice* (Sidgwick and Jackson, £1.50), full of pictures. There's a good local guide by Amedeo Storti on the bookstalls at L2,000, with coloured plates and a valuable folding map. Its sub-title, "How to see the city in a day," is optimistic.

CHESS

LEONARD BARDEN

MATCHES are becoming more popular. The growing interest in this type of competition has clearly been sparked off by the epic Fischer v. Spassky and Korchnoi v. Karpov series and the switch from a tournament to knock-out matches for the world championship candidates.

Grandmasters Hubner, Timman and Polugaevsky all chose matches as part of their training for the 1979 inter-zonals. It was a stipulation of the Hort v. Hubner and Timman v. Polugaevsky series that the game scores should not be published until after the inter-zonals, so that the players could experiment with opening novelties without giving away trade secrets to other rivals. Timman and Hubner won, both by a single point, but the main feature was the opportunity to meet a hard opponent of similar status.

Another recent match, with more at stake, was the play-off between Adorjan and Ribli of Hungary for the final Candidates place. Ribli was widely considered unfortunate not to have qualified directly from the Riga inter-zonal. He was the strong favourite and when he led 2½-½ in the six-game series it looked all over.

But psychological factors, as the world title matches have shown, play an important role in a one-to-one situation. Each had the right to postpone two games and Adorjan took both time-outs in an effort to disturb his rival's winning flow. It worked beyond expectations: Ribli first castled into an overwhelming attack, then lost tamely with the white pieces. He in turn took his time-outs, but it was too late and Adorjan drew the final game in a winning position to go into the Candidates on tie-break. Here is the game which broke Ribli's confidence.

White: A. Adorjan. Black: Z. Ribli. Sicilian Defence (4th match game 1979).

1 P-K4, P-QB4; 2 N-KB3, P-Q3; 3 P-Q4, PxP; 4 NxP, N-KB3; 5 N-QB3, P-QR3; 6 B-K3, P-K4; 7 N-N3, B-K3; 8 Q-Q2, QN-Q2; 9 P-B3, R-B1.

More active is P-QN4, to follow by N-N3 without obstructing the QNP.

10 P-KN4, B-K2; 11 O-O-O, N-N3; 12 P-KR4, O-O?

Only nerves or error in analysis can explain this mistake. Black should play N-B5 at once.

13 P-R5, N-B5; 14 BxN, RxB; 15 P-N5, N-Q2; 16 QR-N1, Q-B2; 17 P-N6, R-B1 (or BPxP; 18 PxP, P-R3; 19 BxP); 18 B-R6! B-B3; 19 PxRP ch, KxP; 20 BxP BxB; 21 P-R6, B-B3; 22 Q-N2, Resigns.

Perhaps Black missed till too late the threat 23 Q-N7 ch! forcing mate.

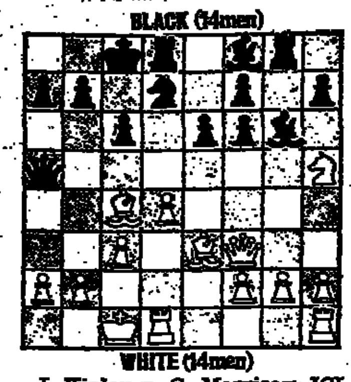
Another recent match was sponsored by Lloyds Bank and the Slater Foundation between leading young players of England and New Zealand. The venue was at stockbrokers Phillips and Drew, who are backing a major grandmaster tournament in London in April. This decisive game enabled Murray Chandler to win 2½-1½.

White: H. J. Plaskett. Black: M. Chandler (New Zealand). Pirc Defence (2nd match game 1979).

1 P-K4, P-Q3; 2 P-Q4, N-KB3; 3 N-QB3, P-KN3; 4 P-B4, B-N2; 5 N-B3, O-O; 6 B-K3, P-N3; 7 B-Q3 (better 7 P-K5, N-N5; 8 B-N1, P-QB4 with unclear complications), P-B4; 8 PK5, N-N5; 9 B-N1, BPxP; 10 NxP PxP; 11 PxP, NxKP! 12 B-K4, B-N5; 13 N3-K2, QN-Q2; 14 P-KR3 (14 BxR, QxB gives Black active play), BxN; 15 QxB, R-B1; 16 O-O-O, P-K3; 17 N-N5, N-B5 (threat Q-N4 ch); 18 NxP, BxP ch; 19 K-N1, Q-B3; 20 P-QR4, R-B2; 21 N-N5, N-R6 ch; 22 K-R2, R-B5! (well calculated; if 23 NxN, BxN; 24 KxB, Q-B6 ch mates); 23 RxN, RxRP; 24 N-Q4 (the point is that 24 R-R7, NxNch; 25 RxR, N-B6 ch wins the queen), BxN; 25 K-N3 BxB! (and now if 26 KxR, Q-QB6); 26 RxB, P-QN4; 27 P-B3, R-B1; 28 R-QB1, N-B5; 29 R-B1, N-R4 ch; 30 Resigns.

POSITION No. 306

BLACK (14men)

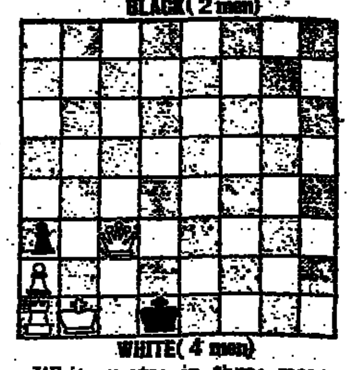


WHITE (14men)

J. Kinlay v. G. Morrison, ICL Hastings Challengers 1979-80. White to move; can he safely capture 1 NxP?

PROBLEM No. 306

BLACK (2 men)



WHITE (4 men)

White mates in three moves, against any defence (composer unknown). This mini-puzzle is less simple than it looks since the black king and pawn effectively bottle up the white king and rook.

Solutions Page 12

BRIDGE

E. P. C. COTTER

ADVANCED mathematics is not necessary for playing good bridge, but the ability to count up to 13, and willingness to use this ability, is essential. My first hand, which occurred in a pairs tournament, is, I think, most instructive:

N.
♠ J 10 5
♡ 7 5 2
◇ K 8 6
♣ A Q 7 6

W.
♠ A 3 2
♡ A K Q 10 6 3
◇ Q 5
♣ 9 3

E.
♠ 7 4
♡ J 9
◇ 10 9 4 3 2
♣ J 10 8 2

S.
♠ K Q 9 8 6
♡ 8 4
◇ A J 7
♣ K 5 4

With East-West vulnerable South bid one spade, West said two hearts, and North had a problem. He decided to bid three clubs, and raised the opener's rebid of three spades to four.

West cashed two hearts, East petering, and a third round was ruffed in hand. West won the second lead of spades and led a third round. The declarer, a first class player, cashed his last trump, the King, discarding the diamond six from the table, and took stock of the situation. He knew that West had six hearts and three spades. He then made King, Queen, and Ace of clubs, and West failed to follow to the third club, letting go a heart. Now the count was complete—East's hand pattern was 2-2-5-4, and at this moment he held the club Knave and two diamonds. The contract was assured. The declarer cashed the diamond King and continued with the eight. When East followed with the ten, South knew that the Queen must now fall from West, so he played his Ace, and the Knave was good for the tenth trick.

The declarer was rewarded for his play by receiving a large number of match points—several of the North-South pairs had failed to reach game, and many of those who had bid four spades went down, because they had not counted out the defending hands so thoroughly.

The next example is from a rubber of high standard:

N.
♠ 8 7 3
♡ J 10 9 2
◇ K 8 4
♣ A Q 5

W.
♠ 9 4
♡ 6
◇ J 9 7 5 3
♣ J 10 8 3 2

E.
♠ A K Q J 10 6
♡ 8 5 3
◇ 6 2
♣ K 4

S.
♠ 5 2
♡ A K Q 7 4
◇ A Q 10
♣ 9 7 6

With North-South vulnerable South dealt and opened the bidding with one heart, which North raised to three hearts. His hand is "flat," but he can hardly make any other response. East came in with three spades, and South's four hearts concluded the auction.

West led the spade nine, East cashed two tricks in the suit, and a third spade was ruffed with the heart Queen. The declarer drew trumps with Ace, nine, and ten, and was interested to see that East followed three times. He then cashed the diamond Queen, crossed to dummy's King of diamonds, and cashed the Ace of clubs—the key move. At this point declarer knows that East has one diamond and no club, or no diamond and one club—and he doesn't mind which. He returns to hand with a diamond to his Ace, and East discards a spade. Now South leads a club and plays dummy's Queen. If it loses to the King, East will be endplayed.

This is, in fact, what happened. East won with the club King and had to return a spade, which gave the declarer a ruff discard, and the contract was made. And that is what I call real dummy play.

Keep elbows close to the chest

GOLF

BEN WRIGHT

George Burns—winner at Pebble Beach

TWO FLYING right elbows really stole the show in the thrilling final stages of the Bing Crosby National Pro-Am at Pebble Beach, California in almost tropical sunshine last Sunday. First time winner George Burns and the legendary Jack Nicklaus are both equally well known for this trade mark, namely that their right elbows stray far away from the body on the back swing against all the advice the text books have to offer. The purists maintain that such a move can, and will often produce a duck hook, a left to left pull, or a shot that is blocked far to the right.

Burns, who stands 6 ft 2 in tall, and was one of the game's heavyweights until a strict diet over the past two months shed 30 lbs, burst meteorically into the professional game after sharing in his country's Walker Cup victory at St. Andrews in 1975. Within months he had won both the Scandinavian Enterprises Open and the Irish Kerrygold International Tournament. A glittering future was forecast for the "rich kid" from New York, whose father is chairman of the Smith Corona typewriter giant. But in the next four years Burns created, and failed to capitalise on, a dozen winning chances. Like many others out here he carved out a very good living, however, never finishing lower than 38th on the money list.

But it was with something approaching desperation that Burns pleaded for help two months ago from the 1964 U.S. Open Champion, Ken Venturi, who is steadily acquiring a fine reputation as a teacher. Venturi, in addition to trying to get Burns to keep that right elbow down, worked hard on the big fellow's mental approach, persuading him to be far more patient and calculating.

Nicklaus has always been famous for this coldly clinical application. There are two ways of looking at his incredible collapse to finish tied for 11th place after he had established a two strokes lead over his nearest rivals when he reached the tee at the famous 107 yards 7th hole. The charitable view of Nicklaus's patchy performance throughout the tournament is that after such a long lay-off it augured very well for the future. Like a ring-rusty fighter Nicklaus was struggling to rediscover his timing, offsetting patches of startling brilliance with periods of frustration and eventual failure. For instance he partially let slip a great opportunity to stamp his compelling authority on the event in the first round at Cyprus Point, the easiest of the three courses used. Five under par after 10 holes, Nicklaus struggled in with a rather disappointing three under par 69. His often and vehemently expressed dislike of Spyglass Hill was borne out in his second round there, a 76. But a brilliant third round of 66 at his beloved Pebble Beach suddenly made Nicklaus favourite to win.

Starting in third place at five under par, three strokes behind the younger Edwards brother, 23-year-old David, who won $44,456 for 88th place in the table in 1979, his first year, and two behind Dr. Gil Morgan and Larry Nelson, the experts felt that Nicklaus had only the latter pair to beat. After all, Edwards had "blown" a third round lead last year at Pleasant Valley, Massachusetts, scoring 77 in the American Optical Classic to finish tied for 10th place. Edwards had failed to qualify in Phoenix and San Diego, eventually getting his place in the Crosby with a pre-qualifying round of 70 at Pebble Beach. In actuality, only a drive hooked on to the beach at the 72nd hole, from which Edwards escaped with a one over par six, cost him a tie with Nelson for third place. He finished tied with Morgan, among others, for seventh, and covered with credit.

When Nicklaus made thrilling birdies at the second, third and fourth holes, and an eagle three at the sixth he became 10 under par. In the good old days the tournament would have been all over bar the shouting. Nicklaus's collapse was as astonishing as it was total. He hit a wretched tee shot to the front of the seventh green and three putted. He fluffed not one, but two, chip shots from the left of the eighth green for a two over par six. In a desperate effort to arrest the slide, Nicklaus charged his birdie putt at the ninth and missed the return. He also three putted the par three 12th hole, and another shot dropped at the 13th was now only of academic interest, as was the fact that Nicklaus finished with five straight pars for a 73.

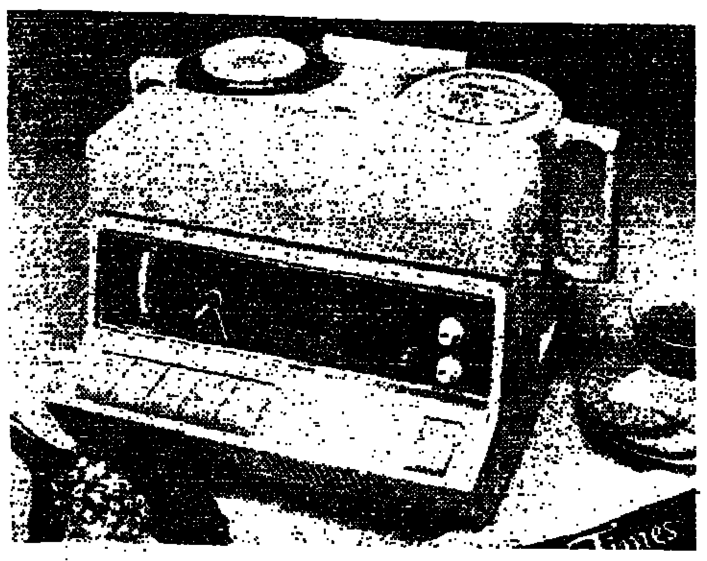
The realistic view of Nicklaus's performance is that it is far more difficult to return to the top at the age of 40 than it was to stay there for so long. I hope I am wrong, but I do not think Nicklaus will do so unless he elects to compete more often. He stubbornly declares he will not do so. Nicklaus plans to play in just three, possibly four, more tournaments before the U.S. Masters, and in all in no more than the 12 he competed in last year.

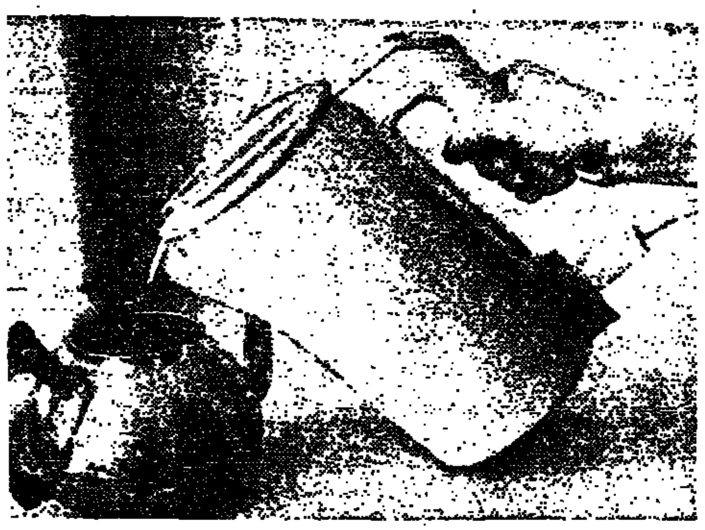
Back to Burns. Most winners require their share of good fortune. Burns was certainly not hurt by hitting the pin with a bunker shot at the 3rd hole which saved his par, or by holing out another for an eagle three at the 6th. He sunk a 20 ft birdie putt at the short 7th. He hooked a seven-iron shot well wide of the 13th green, but the ball hit a spectator's chair, bounced back to the fringe, and Burns cashed in by holing his chip from 20 ft. But the decisive break came on the 16th green. At this stage no fewer than 16 golfers had, or would have, had their chance to win. Burns holed out from 60 ft for a birdie that lifted him one stroke clear of Dan Pohl, a superstar in the making, the longest hitter of all, who had recorded six birdies in the last 9 holes.

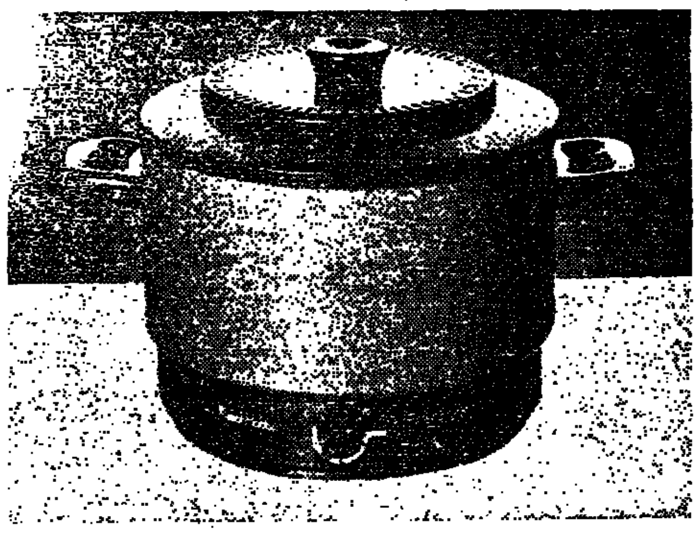
HOW TO SPEND IT

by Lucia van der Post

Not chips with everything . . . yet







Photograped left are three of the newest electrical products seen at the recent International Domestic Electrical Appliances Trade Fair.

From top to bottom: first is *the Goblin 870 Teasmade and* it's the first machine to make tea automatically, wake its owner and incorporate a radio. For the large section of the population whose early mornings are spent accompanied by music this could be just the machine to transform those grim hours. The machine *can be programmed to* switch on bedside light, make tea at any time, switch on the radio as and when it's wanted. You can choose whether you want to be woken by the sound of music or a gentle alarm buzzer. You can buy it now from leading electrical stores for about £90, though if you look *around you should find it cheaper* (Argos, for instance, sells it for £65.99).

Middle: Redring, the company that has brought out this interesting looking item describes it as "nothing like a kettle but *everything a kettle should be."* And that seems to sum it up. Made from a high quality engineering plastic (modified *Polyphenylene oxide)* the "Autoboil" is strong, easy to clean and said to resist scaling. The element can be covered by a cupful of water so that it is very economical to use. The handle is at the side so that the kettle can be refilled without your hand being burned by steam. It is easy to grip and pours well. *It will be in most good electrical* shops shortly and though the recommended retail price is about £20 you should be able to find it for about £16.

Bottom: I only wish thermostatically controlled electric fryers had been around when my children were smaller and preferred a diet of hamburgers, baked beans and chips. I know of at least two close friends who have been severely burned by pans of fat catching fire and feel that the only safe way (which happily is also more economical) to cook things like chips, that require *deep fat, is one of those new* deep pans which has a thermostat control. The chips emerge crisp and magnificent, the operation is safe, clean and (in models that have filters, like this Russell Hobbs Fryer) entirely smell-free. It heats 2.4 litres of oil to 190 deg. C in about 12 minutes. *On sale from April at about £28.50.*

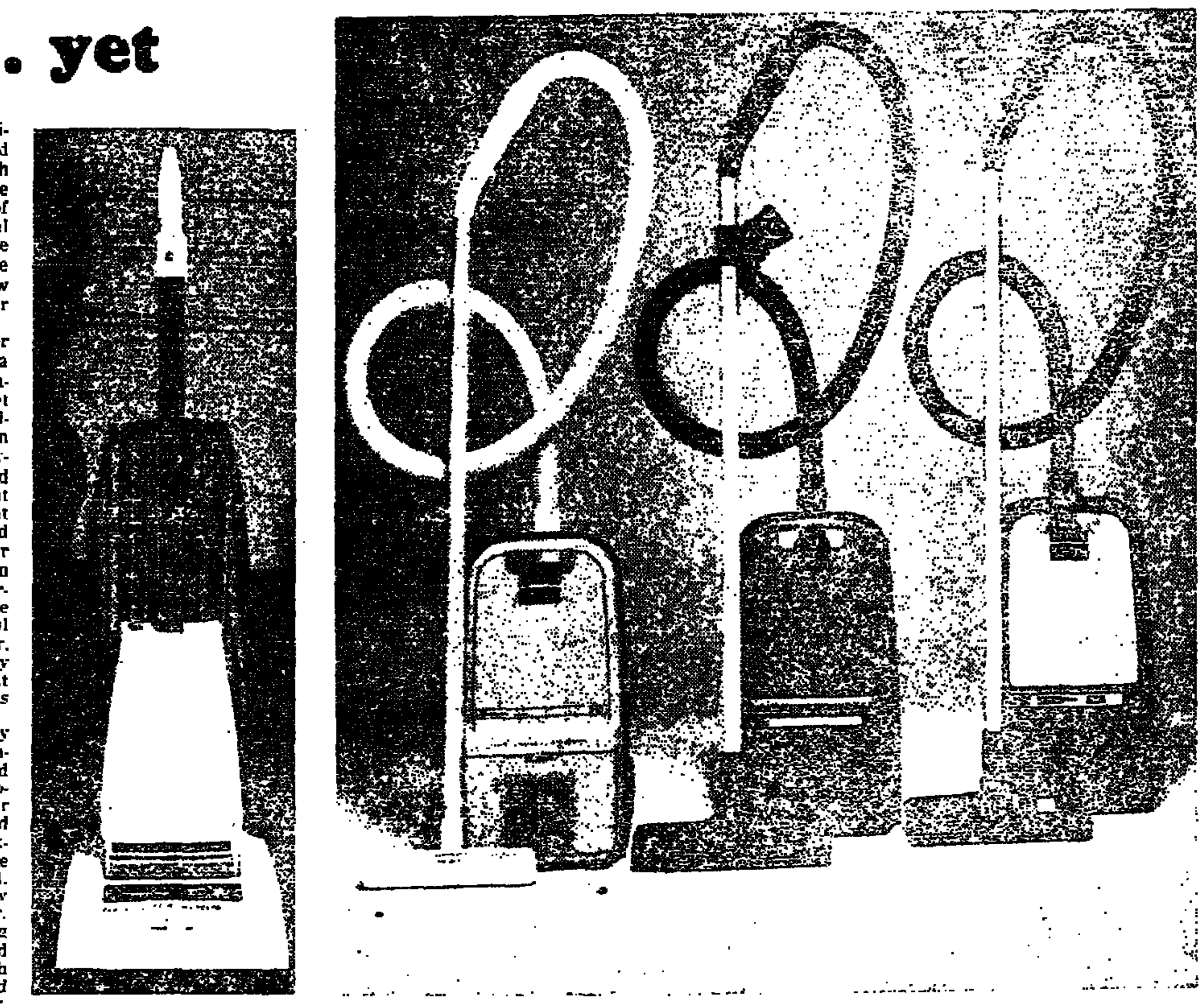
A FEW weeks ago the electrical appliances industry held their annual trade fair. Though primarily of interest only to the trade it will eventually be of immense interest to the general public as these are the appliances that will be out there in the marketplace in a few months' time for the consumer to buy or reject.

Each time one buys a major domestic appliance like a washing-machine, a vacuum-cleaner or a dishwasher, let *alone the myriad smaller* gadgets that most of us indulge in from time to time, we are having to make quite a complicated decision. Many of us fear that no sooner will we have bought one model than a new improved version, possibly at a cheaper price, will hit the market. In particular we have been hearing a great deal of the miracle silicon chip, the essential element of the micro-processor, *but to what extent will it really* help and to what extent has it yet been used in the products currently on the market?

The answer is that currently its influence is only just beginning to be felt. Servis have had *a washing-machine with a micro-*processor on the market for about three years *now and* claim that the number of breakdowns and service calls have been substantially reduced. Miele too has a very new machine with a micro-processor.

Other companies are watching the Servis operation closely and several other machines with *micro-processors are scheduled* to be launched later in the year. In general the great advantage of the micro-processor is that it gives much more sophisticated and reliable controls. This means that, for instance, in a washing-machine there is greater control over the spin-dry operation, the machine will be able to adjust to the amount of wetness in the clothes, will give a greater number of pro*grammes and will be less likely* to break down. Servicing should be much easier because all the controls are contained in a little box and instead of fiddling about with a multitude of wires the service engineer will simply replace the little box should anything go wrong.

Though there are as yet only two washing machines on the market (other machines have electronic controls but these *are not the same thing—they* may contain a silicon chip but unless this performs a multi-function, as opposed to a single function, it is not a micro-processor) there are several cookers like the AEG, Neff and *Moffat versions, which incor*porate micro-processors. Yet again the advantage is of greater sophistication and reliability of controls—for instance it offers much more accurate temperature control (particularly useful with hobs so that milk, for example, can be kept hot without boiling over), simpler servicing and less likelihood of anything going wrong.



The old-fashioned vacuum cleaner is a-changing . . . several new improvements will be available to those who are buying a new one this year. *Left* is the latest model from Hoover—the Concept One. Besides cleaning in a highly effective way (the new brushes seem able to deal with different heights of carpet pile, enable the brushes to clean right up to the skirting board and go into corners) the Concept One's chief claim to fame is that it is so easy to use.

It is virtually self-propelled and is therefore *extremely easy for the elderly or handicapped* to use as virtually no strength or force is required. The machine moves either forward or backwards effortlessly—the user guides it with a special handle but the Powerdrive unit in the machine makes sure it moves itself where you want it to go. There's a huge disposable bag which will, obviously, therefore need replacing less often than the old ones. It has a retractable cord, will be going into the shops in a couple of months time and will cost about £125.

Right is the Husqvarna vacuum cleaner *which is a marvellously futuristic shape and* coloured in combinations of Magnolia and Black, Brilliant Orange and Black or Chrome Yellow with Black wheels. It is extremely easy to manoeuvre, light to pick up and carry and it also has a large dust bag.

Husqvarna's cleaners are cylinders, as opposed to uprights (though as you can see from the picture they can be stored upright) and the top model, the 230, has electronic speed control to vary the suction power, as well as a super-boost facility for those plagued with dog or cat hairs. In the shops *in about three months time, about £75.*

Naturally machines with micro-processors cost more than *simpler models at the moment* —partly because they are usually only installed in the more sophisticated equipment anyway. Prices may come down later (it is hard to tell with the steel strike into its sixth week) but the housewife will in any event have to weigh the advantages of a higher initial outlay against the probability of lower servicing costs.

All this, though, is mainly talk of what is to come. What is there for the consumer *today? At the Fair some of* the most interesting items were designed for small families — for instance Servis and Husqvarna each had a dish washer which took about three place settings each and completed the cycle in a very short time.

Similarly, the small Bendix washing-machine is designed with a family of one or two people in mind and it takes a load of just 4 lb while there are *several machines with narrow* top-loaders for areas where space is tight.

There were lots of showers (25 per cent of British homes now have them) and for all those houses replete with major appliances there were a host of tempting small items like sandwich toasters, cream cheese makers, waffle-makers, and the rest, which we will report on at a later date.

Crowning Glory

BY JULIE HAMILTON

I SEEM to remember being told in my youth that it was simply not done to serve a roast at a dinner party. *Now, of course,* the price of meat is so high that a large juicy roast is a luxury.

The new season's New Zealand lamb is at its very best this month, stable in price and good value for money. Pork prices are stable, too, after a sharp rise before Christmas, but beef continues to go up. This makes New Zealand lamb the best buy for the time *being.*

Firm opinions about whether English lamb is better than New Zealand are questionable because it all depends on season, price and quality. To my taste the very early English lamb has too mild a flavour. It is also so small and so expen*sive that it is not a good* buy.

I do not believe people who swear that they can tell the difference between the best English and New Zealand lamb. When properly cooked, it is rare for lamb to be tough. The overcooking of lamb is very common in this country and is clearly to *many people's* taste. The French nearly always serve their lamb pink, which is how I like it. On the other hand, if you prefer a really strong lamb flavour, the slower and longer it is cooked the stronger the taste.

I know someone who served at a dinner party a saddle of lamb which had been cooked in a slow oven from mid-day until 8.30 pm. Some of the guests thought it was the best lamb they had ever tasted. Indeed it was surprisingly good though I would never cook a saddle that way.

Here is a dinner-party idea for leg of lamb with a difference.

Roast the lamb in the usual way according to your own taste then, instead of offering mint sauce and onion sauce, make this special sauce and, just before serving, cut the lamb (leg which you have asked the butcher to bone out) into slices. Place them on a hot serving dish and pour the sauce over them.

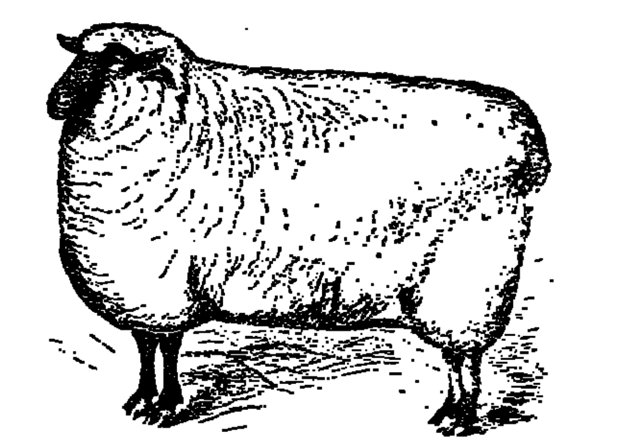
Mint and Onion Sauce

serves 4 to 6

3 *medium-sized onions;* 3 big sprigs fresh mint; 2 oz butter; 1 level dessertspoon sweet paprika; 1 teaspoon caster sugar; 1 heaped teaspoon flour; 1 teaspoon vinegar; 2 tablespoons dry white wine; 5 oz soured cream.

Finely chop the mint. Slice the onions thinly. Fry the two together over a gentle heat until the onions are transparent. Remove the pan from the heat and add the paprika. Stir well, add the sugar and flour, stir, add the vinegar, return to the heat, stir well and simmer for a *couple of minutes.* Now add the wine and soured cream, bring back to simmering point, stir, taste and add salt. Keep warm until needed. Just before serving, bring the sauce back to simmering point and pour it over the carved lamb.

Sauté potatoes and green vegetables are ideal with this dish. It would not be advisable to serve carrots or similar vegetables because they are sweet and so is the sauce, therefore the balance of flavour would be upset.



Apricot Stuffed Crown

A crown of lamb is a fairly *showy piece of meat to serve for* dinner. If you have bought high quality lamb it is a shame to disguise its flavour by stuffing *the centre of the crown before* cooking. I find it better to puree vegetables such as peas or even sprouts, season them well and pour into the cavity *just before serving. This method* is particularly good if you like your lamb as I do, well seasoned with garlic and rare. If you enjoy your lamb well done and want to stuff the crown before cooking, this recipe will produce a rich and unusual dish for a hungry set *of dinner guests.*

serves 8

1 crown of lamb with 16 chops; ½ lb finely minced lean *lamb; approx.* ½ *lb dried* apricots soaked overnight in enough water to cover them; 1 teaspoon lightly crushed coriander seed; 2 cloves garlic finely chopped; 3 or 4 sprigs parsley finely chopped; 4 tablespoons cooked long grain rice; 2 tablespoons brandy; 3 or 4 stoned black olives finely chopped; salt and plenty of freshly ground black pepper; 1 egg lightly beaten.

Strain the apricots and set the juice aside. Finely chop them and combine with the minced lamb and all the other ingredients, adding the egg last of all to bind the mixture. Fill the centre of the crown with the mixture, pressing well down. Protect the ends of the bones with tin foil. Pour the apricot juice, mixed with a cup of water, into the base of the roasting tin. *Place* in a preheated oven (gas mark 5, 375 F) on a low shelf. After 10 minutes reduce the heat to gas mark 3 (325 F) and cook for 35 minutes to the pound, including in your calculation the ½-lb minced lamb. Baste periodically. New potatoes, if you can get them, petit pois and a salad of chicory, green peppers, cucumber and watercress will well complement the stuffed lamb.

Orange Pancakes

If you have assembled round your table people who have *plenty to talk about and who* enjoy lingering over their meal, it is fairly safe to serve a dessert which requires a little attention in the kitchen just before serving. Perhaps because the hostess does not like to risk a pause, pancakes are rarely served, but the effort is worthwhile. Furthermore, it could make an interesting variation on the traditional theme for Shrove Tuesday on February 19.

16 pancakes for 8 people

Pancake mixture: 8 oz plain flour; 2 eggs; pinch of salt; approx. ¾ pint milk; 3 tablespoons soda water; 1 teaspoon very finely grated orange rind. For the sauce: juice of 2 oranges; juice of 1 lemon; 2 ozs butter; 2 tablespoons caster sugar; 2 tablespoons brandy or Grand Marnier (optional).

Sift the flour into a bowl, make a hollow in the middle and pour in the lightly beaten eggs with the grated orange rind and a little of the milk. Work the ingredients together, gradually adding the rest of the liquids including the soda water. Beat vigorously until the batter resembles bubbly single cream.

Put your frying pan on a fierce heat, grease it with a little lard and fry your pancakes for *about a minute on each side. If* you need more time, the heat is not fierce enough. As you cook it, place each pancake on a dish. Fold them in half and then in half again to form a sort of triangle. All this can be done hours before your guests arrive. Stack the pancakes one on top of *another* and cover with a tea towel until needed.

Just before dinner, butter a large serving dish, place the *pancakes overlapping in it* and brush them with a little butter.

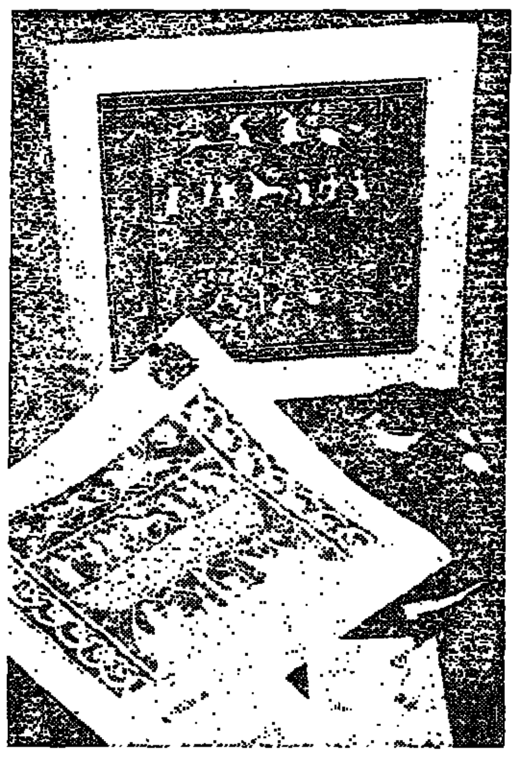
As you sit down to table set the oven at gas mark 7 (425F). *When* the meat course is finished, slip away from the table, leaving your partner to clear the plates while you make the sauce for the pancakes. First place the dish of pancakes in the oven then, working fast, melt the butter over a fierce heat, gradually add the orange and lemon juice and the sugar. Stir well until the sugar is fully dissoved then add the brandy if using it but do not let it flame. Pour the bubbling sauce over the now hot pancakes and serve —with whipped cream if you like. This operation should not take more than three or four minutes.

Postscript

In my piece on jeans last week I didn't make quite clear the *difference* between all the various Sassoons and Sassons. Vidal, as we all know, is involved with hair and hair products. Ronald is a South African making a brand of jeans but the jeans that I was writing about, the American designer jeans now on sale in Harrods and other exclusive shops, are by a designer called simply Sasson (but, confusingly, it is pronounced just like the other two names). Sorry Vidal, Ronald and Sasson.

Hang it all

There can hardly be a mother in the country who isn't intimately aware of all that the Mothercare range of shops sells and does. However, those without children of their own, may not realise what a good source of presents either the shops themselves or the excellent catalogue that the company produces are. Each new issue of the catalogue sees some new ideas and in this year's *edition I like this laundry tidy bag.* It consists of a rigid frame with a hook at the top so that it can be hung easily, like a hanger. Attached to the frame is a strong fabric bag which can be removed for washiug. £4.60. New in the safety series is a smoke-alarm system—an infra-red light picks up any smoke particles and sets off the alarm. £15.25. For a copy of the catalogue write to: *Mothercare-by-Post, Cherry Tree Road,* Watford WD2 5SH (which is free) or pick up your own free copy from your nearest branch.



The Vikings are coming

The Vikings Exhibition scheduled to run at the British Museum from February 14 to July 20 looks as if it will be a must. For those who are *fascinated* by this period Glorafilia have designed a new needlework kit, in conjunction with British Museum Publications, which will be on sale at the British Museum for the duration.

The picture is based on scenes of early *Viking life* and mythology as it emerges from the memorial stones left behind on the island of Gotland, Sweden. There are figures of gods and men, ships, horses and birds, while the border is made up from mystic Viking symbols.

As with all Glorafilia kits, all the wools are supplied with the canvas—the colours are soft browns, bronzes, cream and terracotta *and the size* is 16 ins by 15 ins. £16.95. Also available by mail order (plus 50p p and p) from Selective Market Place, 16, Golden Square, London W1.

ARTS

Erewhon & Elen BY ANTHONY CURTIS

Anyone who thought that the last word had been said about the life and times of Samuel Butler was proved incorrect on Radio 3 last Sunday in *Samuel Butler and New Zealand*, written and narrated by James McNeish. The programme shed some new light on the great Victorian ironist.

Butler went as a young man to New Zealand to escape from Father and his Rectory; also to make sufficient money to be financially secure later as a writer. He was only 26 but he soon succeeded in fulfilling the latter aim. He combined the talents of musician and essayist with those of mountain-climber and entrepreneurial sheep-farmer. He prospected 120 miles north of Christchurch, climbed the mountains to 5,500 feet above sea-level, and annexed 80,000 acres of grazing land for himself in Mesopotania. This gave him not only plenty of space for his sheep to crop, but the landscape, as described in his limpid prose, for his masterpiece.

Gus Elen

Contrary to the received wisdom, this programme showed that the genesis of *Erewhon* does go back to Butler's time in New Zealand and that it was largely written there. Butler read the *Origin of Species*, when it first appeared, in Mesopotamia, and he published his earliest satire as a pseudonymous letter in the local newspaper, the Canterbury Press, which became the forcing-house of his literary talent. It was headed "Darwin and the machines": and in it he posited a "fertile union between two steam engines"—thus starting the train of thought that led to *Erewhon*.

At the same time he fell in love with a New Zealand schoolgirl of 15. He failed to win her as a wife because of his anti-religious opinions. If he had he might never have turned gay. His great musical love was Handel which he played on a cottage piano which still survives and which provided the musical illustrations for the programme. Nonetheless Butler declared later that life in New Zealand was "utterly uncongenial to me." He found solace only in the company of a young lawyer called Pauli who followed him back to England. Pauli was, said Mr. McNeish, "a charming, syphilitic, common swindler." He became completely enslaved to Pauli who mulcted him of money for the rest of his life, rather like the Maugham-Haxton relationship.

Malcolm Muggeridge, who first broke the news about Pauli to a disbelieving world in his book on Butler in 1935, spoke about the affair in the programme. He saw Pauli as in some ways a substitute for the real Victorian father whom Butler had repudiated in life and immortalised in *The Way of All Flesh*. Fascinating stuff, ably directed by Christopher Venning.

To find original research on radio you do not have to listen only to Radio 3. There is a great deal on Radio 2 at present in the evergreen area of Music Hall. On Tuesdays we are currently half way through the life and times of Stanley Holloway, *Wiv a Little Bit of Luck*, written and researched by Benny Green and Michael Marshall. This week it was the monologues which brought Holloway fame; the week before the programme was largely devoted to the Co-optimists of whom he was a founder member; we heard delvings into the sound archive for the voices of Davie Burnaby and others. As the name implies the troupe was always looking on the bright side. By contrast, the Cockney comedian Gus Elen to whom last Sunday's Radio 2 *Top of the Bill* was devoted took a much more sardonic view of life in his character-songs, particularly when it came to marital relations:

Oh! they 'adn't been married not a month nor more,
When underneath 'er fumb goes Jim.
Oh, isn't it a pity as the likes of 'er,
Should put upon the likes of 'im?

Here, too, much research had been packed into the 30 minutes, written and presented by Richard Anthony Baker. Gus's niece told us something about his close-fisted private self, and Tony Barker, an authority on Elen, discussed the Cockney argot and social content of his work which harped often on the sudden accession of wealth and the impact it might have on a working-man. Gus, who was not a Cockney by birth, acquired his own wealth by hard-work which brought him vast popularity.

Gus was coaxed out of retirement in the 1930s when he made some fine recordings on which the programme drew. Many of these are also to be heard on the LP released last year *You Have Made a Nice Old Mess of It* (Topic 12T396) with sleeve-notes by Mr. Barker whose publication *Music Hall Records* (50 Reporton Road, London SW6) aims to keep its readers abreast of the latest research and releases.

Mainly Czech

BY ANDREW CLEMENTS

Arias and songs by Kozeluh, Myslivecek and Foerster, and piano music by Janacek and Smetana equitably balanced Moravia and Bohemia in the first half of Thursday night's recital at the Purcell Room by Beryl Tucapska and Jana Frenklova. Performances were enthusiastic and freshly minted: Miss Tucapska is a vivid soprano, inclined to occasional squalls of forced tone and muddied articulation; Miss Frenklova offers a clean, secure keyboard technique, but never quite managed to master the treacherous acoustic of the Purcell Room.

Two Italian ariettas by Kozeluh and a pair of extracts from Myslivecek's *Erio* represented Bohemia at its most classical. Miss Tucapska obviously relished the coloratura of the operatic arias, as she did equally the faded romanticism of Foerster's Three Songs Op. 85, but the audience (largely expatriate Czech, one imagines) responded most spontaneously to some devastatingly effective settings of Moravian love songs by Antonin Tucapsky, with spare, affectionate piano accompaniments.

Miss Frenklova's playing of Janacek could very obviously become something rather special; at present she is inclined to neglect the more delicate shades and painted *In the Mist* instead in primary colours, but there is already much intelligence in her approach. More Czech music would have made an acceptable second half to the evening, which was divided instead between Britten's song cycle *On this Island* and a new work by Jeffrey Lewis, written especially for Jana Frenklova. Lewis's *Tableau* is a long, unrewarding exploration of some everyday harmonic sequences and noisy sonorities; it was played, as far as one could tell, with great assurance and commitment but the impression left was of pianistic talent unexploited. Before long it would be interesting to hear Miss Frenklova in a complete programme of the music she evidently loves and promises to play so well.

Kelly over the top

SALEROOM

BY ANTONY THORNCROFT

Christie's auction of the contents of the studio of the late Sir Gerald Kelly yesterday proved a tremendous success, with prices going way above forecast and a host of private buyers bidding in the saleroom for the first time. The morning session alone totalled £88,000 which was Christie's estimate for the day.

"Miss Hong Kong as a Burmese," a famous Kelly composition, sold to Marlborough Fine Art for £6,500, three times the forecast, and the same sum secured "Celestina del Pino of Trinidad" which had been forecast to go for around £500. Other items to far exceed expectations were "Reyes IV," which made £4,800, and "La Maja," £3,600. It was the same story among the minor lots: studies of a festival crowd in Mandalay sold for £350 as against the £40-£60 estimate.

The sale totalled £164,115 with everything selling. A study for the portrait of King George VI was bought by Leggatt, on behalf of the National Portrait Gallery, for £3,000.

At Southeby's Chancery Lane the Tate Gallery paid £40 for the Pirelli Calendar of 1973 which was the work of Allen Jones. A Marilyn Monroe calendar of 1956 sold for £35 while volumes 1-69 of Picture Post, from 1938-55, went for £1,000. Top price in this books and ephemera sale was the £2,000 paid by Maggs for a copy of "Sir Hugh the Heron" by Rossetti.

Jack Shepherd in 'The Iceman Cometh'

The Iceman Cometh, the third and final play in the Eugene O'Neill season at the National Theatre's small auditorium, the Cottesloe, will open there on Tuesday, March 4, with Jack Shepherd as Hickey.

Performances start at 5.30 so that they end by 10.30. There are to be three intervals, the middle one a half-hour food-break.

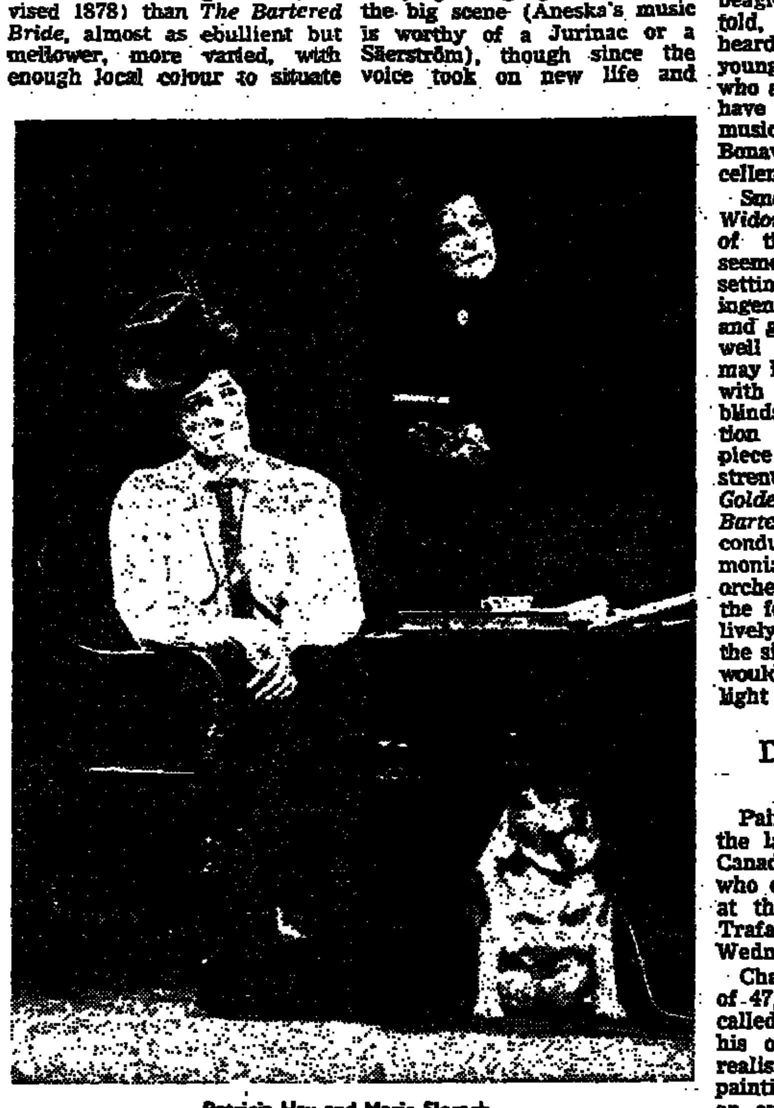
The Two Widows

BY RONALD CRICHTON

Scottish Opera have treated Newcastle upon Tyne this week to a miniature Smetana festival, with *The Two Widows*, recently presented in Glasgow, and their already familiar *Bartered Bride* which is due to come to London. *The Two Widows* is a joint production with Wexford, given at that festival in 1978 and reviewed here at the time by Max Loppert. David Pountney's production and Maria Björnson's designs, I gather, remain more or less unchanged. The cast is largely new. Wednesday's large audience at the Theatre Royal gave the piece a warm welcome.

The Two Widows is indeed an enviable addition to the repertory of any company playing, as Scottish Opera mainly does, in medium-sized theatres. It was a later work (Prague 1874, revised 1878) than *The Bartered Bride*, almost as ebullient but mellower, more varied, with enough local colour to situate the action (derived in fact from a French comedy) without turning it into a folk manifestation. More than once, banter and merriment give way to a mood very like the elegiac sadness of Marenka's aria in the *Bride*, while Aneska's solo scene in act 2 with its sharp human insight and subtle harmonic colouring goes deeper than anything in the earlier opera.

Aneska is the difficult one of two cousins, both left widows at an early age. She expiates unnecessary remorse for an unhappy marriage by ostentatiously prolonging her mourning and snubbing a former, still ardant suitor, Ladislav. The young Scottish soprano Marie Slorach sings the part with a quiet serenity pleasing without carrying enough guns as yet for the big scene (Aneska's music is worthy of a Jurinac or a Säerström), though since the voice took on new life and personality immediately the scene was over Miss Slorach may simply be too modest.



Patricia Hay and Marie Slorach

As the extrovert cousin Karolina, a good-hearted, uncensorious, Bohemian Lady Billows, hugely enjoying her single state and position as lady of the manor, Patricia Hay gives a most polished comedy performance. Dennis O'Neill is Ladislav the lovelorn, reduced to posing as a noisy and inefficient poacher, with ringing tone and an easy stage manner—splendid tenor voice, may he look after it well. William McCue's gamekeeper Mumlal, incensed at the poaching and confused by the ladies' behaviour, is a potentially rich comic portrait that hasn't quite settled down (on Tuesday Mr. McCue was landed with a beagle-pup, an understudy I was told, that insisted on being heard as well as seen). As the young lovers Lidka and Tonik, who add little to the drama but have deliciously light-footed music, Patricia O'Neill and Bonaventura Bottone were excellent.

Smetana called *The Two Widows* his "salon opera." Some of the more inward music seemed to need a more enclosed setting than Miss Björnson's ingenious combination of house and garden, though that served well enough on the whole—it may have been something to do with the siting of the big sun blinds. Mr. Pountney's production of this mostly intimate piece is appropriately less strenuously active than *The Golden Cockerell* or *The Bartered Bride*. Guy Woolfenden conducted the Scottish Philharmonia (the company's own new orchestra was due to be heard the following evening). He is a lively, prompt accompanist to the singers, but Smetana's score would repay a good deal more light and shade.

Display of work by Canadian artist

Paintings and drawings from the last decade of the life of Canadian artist Jack Chambers, who died in 1978, are on show at the Canada House gallery, Trafalgar Square, SW1, until Wednesday, February 13.

Chambers, who died at the age of 47, was frustrated by being called a surrealist and coined his own label of "perceptual realist." Fourteen of his paintings and 11 drawings are on exhibition at the gallery.

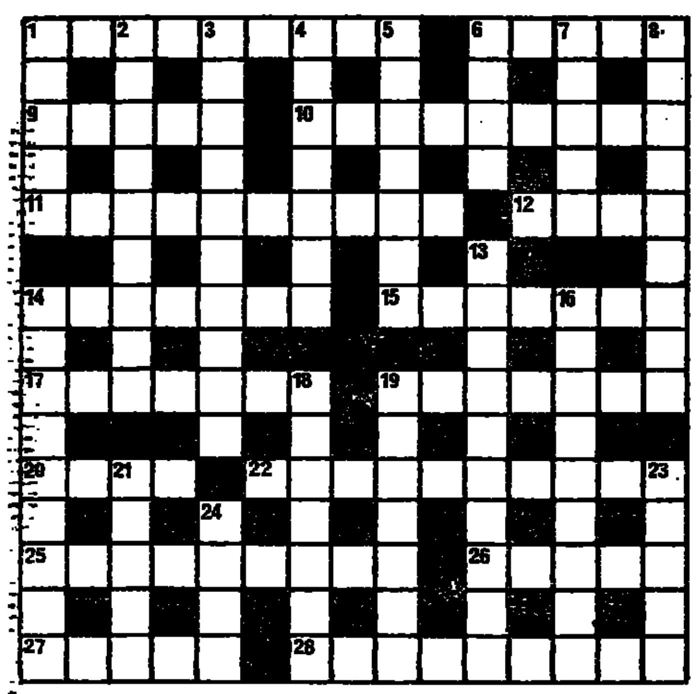
F.T. CROSSWORD PUZZLE No. 4,196

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



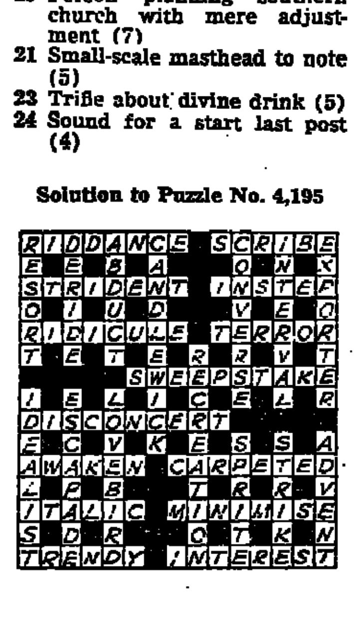
ACROSS

1 Receive invitation to enter on behalf of (4, 2, 3)
6 Pet on leave out of sight (5)
9 Lesson Frenchman has spoken (5)
10 Stress on inferior family (9)
11 A horse in training is produced for inspection (7, 3)
12 In case the French go on way (4)
14 Unusually crude, so rubbed clean (7)
15 Public transport on a railroad (7)
17 Voter liable to change sides in Cork (7)
19 Little time to corner men at fight (7)
20 Racket caused by beast on piano (4)
22 Relevant bringing baby male to full stop (2, 3, 5)
25 Bat put life into small boy (6, 3)
26 Nymph Diana disturbed (5)
27 Small number angry with rover (5)
28 Skulduggery at Rugby formerly banned by Lord Chamberlain (5, 4)

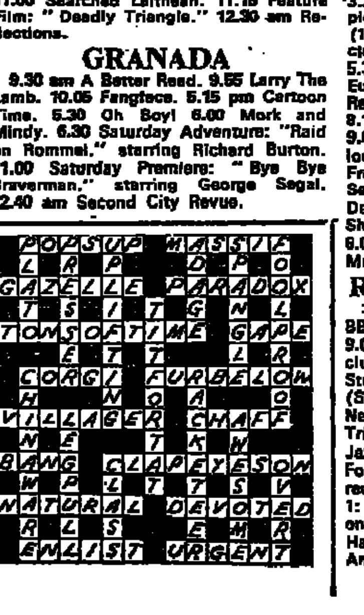
DOWN

1 Company bumped into heavenly body (5)
2 Month policeman ought to behold explorer (5, 4)
3 Uneducated and not fit to repeat (10)
4 Discovered newsman was established (7)
5 Strong point about suspicion (7)
6 Terrible to pass over outside right (4)
7 Stern direction taken by dirt (5)
8 Upsets remaining variety acts (9)
13 Superficially attractive snag over coin (10)
14 Bishop to write short county newspaper article (9)
16 Festive swindle against one medicine bottle (9)
18 Reds too may be settled for the night (7)
19 Person planning southern church with mere adjustment (7)
21 Small-scale masthead to note (5)
23 Trifle about divine drink (5)
24 Sound for a start last post (4)

Solution to Puzzle No. 4,195



Solution and winners of Puzzle No. 4,190



Miss Anne M. Dingle, 1 Berkeley Road, London, N8 8RU.

Mrs. W. M. Hubbard, 421 Woodgrange Drive, Thorpe Bay, Essex.

Mr. A. E. Shilcock, 2 Mill Street, Chagford, Devon, TQ13 8AW.

TV Radio

BBC 1

† Indicates programme in black and white.

7.40-8.30 am Open University (Ultra high frequency only). 9.05 Gymnast. 9.30 Multi-coloured Swap Shop. 12.12 pm Weather.
12.15 Grandstand: Football Focus (12.20); European Four-man Bobsleigh Championship (12.50); Table Tennis (1.05, 1.40, 2.10) Stiga Welsh Open Table Tennis Championships; Racing from Newbury (1.20, 1.50, 2.30); Snooker (2.50, 4.25) Benson and Hedges Masters Final; Rugby League (3.20) State Express Challenge Cup—first round: Wigan v. Hull Kingston Rovers; Darts (4.05) Embassy World Professional Championship (Final); 4.40 Final Score.
5.15 The Pink Panther Show.
5.35 News.
5.45 Sport/Regional News.
5.50 Wonder Woman.
6.40 Jim'll Fix It.
7.15 All Creatures Great and Small.
8.05 The Dick Emery Show.
8.40 Dallas.
9.30 News.
9.40 Match of The Day.
10.40 Parkinson with guests.
11.40 Alan Price in concert.

All Regions as BBC1 except as follows:

Wales—5.45-5.50 pm Sports News Wales. 12.30 am News and Weather for Wales.

Scotland—4.55-5.15 pm Scoreboard. 5.45-5.50 Scoreboard. 9.40-10.40 Sportscene. 12.30 am News and Weather for Scotland.

Northern Ireland—5.05-5.15 pm Scoreboard. 5.45-5.50 Northern Ireland News. 12.30 am News and Weather for Northern Ireland.

England—5.45-5.50 pm (South West only) Spotlight Sport.

BBC 2

7.40 am - 2.20 pm Open University.
2.20 pm Saturday Cinema: "All In A Night's Work," starring Dean Martin.
3.50 The Sky At Night.
4.10 Play Away.
4.35 Horizon.
5.25 Mr. Smith's Indoor Garden.
5.50 Open Door.
6.20 Top Table.
7.00 News and Sport.
†7.15 Gangster Movie: "Marked Woman," starring Bette Davis and Humphrey Bogart.
8.50 Snooker: Benson and Hedges Masters.
9.30 Playhouse.
10.40 Darts: Embassy World Professional Championship Final.
11.20 News on 2.
11.25 Snooker: Benson and Hedges Masters.
11.55 Midnight Movie: "Harold and Maude," starring Ruth Gordon.

LONDON

8.40 am Sesame Street. 9.40 The Beachcombers. 10.05 Superman. 10.30 Tiswas.
12.30 pm World of Sport: 12.35 On The Ball; 1.00 International Sports Special (Part 1) Athletics from Australia; 1.15 News; 1.20 the ITV seven, 1.30, 2.00, 2.30 and 3.00 from Wolverhampton; 1.45, 2.15 and 2.45 from Catterick; 3.10 International Sports Special (Part 2) Boxing — WBC Heavyweight Championship of the World: Larry Holmes v. Lorenzo Zanon; 3.50 Half-time Soccer Round-up; 4.00 Wrestling; 4.50 Results Service.
5.05 News.
5.15 Oh Boy!
5.45 Happy Days.
6.15 Stars in Action.
8.15 The Faith Brown Chat Show.
8.45 Enemy at The Door.
9.45 News.
10.00 Heartland.
11.00 Saturday Night People.
11.45 Pro-Celebrity Snooker.
12.30 am Close: Robert Rietty reads from "Nahman of Bratslav."

All IBA Regions as London except at the following times:

ANGLIA

9.35 am Play Guitar. 10.05 Kum Kum. 5.45 pm Mork and Mindy. 6.15 Saturday Film: "The Four Feathers," starring John Clements and Ralph Richardson. 12.30 am At The End Of The Day.

ATV

9.10 am A Better Read. 9.35 Play Guitar II. 10.00 Clue Club. 5.45 pm Mork and Mindy. 6.15 Miss ATV 1980. 6.30 Saturday Cinema: "Doctor at Sea," starring Dick Bogarde. 11.00 The Late Night Movie: "Lock Up Your Daughters," starring Christopher Plummer.

BORDER

9.00 am A Better Read. 9.30 Play Guitar 11. 10.00 Friends of Man. 6.15 pm Saturday Night at the Movies.

CHANNEL

5.14 pm Puffin's Pla(i)ce. 5.45 Mork and Mindy. †6.15 Feature Film: "Carve Her Name With Pride." 11.00 Untamed World. 11.30 Barney Miller.

GRAMPIAN

9.05 am Bailey's Bird. 9.30 Sesame Street. 6.15 pm The Saturday Western: "Major Dundee," starring Charlton Heston, Richard Harris and Jim Hutton. 11.00 Searched Laithean. 11.15 Feature Film: "Deadly Triangle." 12.30 am Reflections.

GRANADA

9.30 am A Better Read. 9.55 Larry The Lamb. 10.05 Fangface. 5.15 pm Cartoon Time. 5.30 Oh Boy! 6.00 Mork and Mindy. 6.30 Saturday Adventure: "Raid on Rommel," starring Richard Burton. 11.00 Saturday Premiere: "Bye Bye Braverman," starring George Segal. 12.40 am Second City Revue.

HTV

9.10 am Numbers at Work. 9.35 Lucan. 5.15 pm Doctors and Nurses. 5.30 Oh Boy! 6.00 Happy Days. 6.30 Saturday Cinema: "Battle Beneath the Earth." 11.00 The Late Film: "Cold Sweat," starring Charles Bronson, Liv Ullmann and James Mason.

HTV CYMRU/WALES—As HTV General Service except: 6.00-6.30 pm Sion A Sian.

SCOTTISH

9.10 am A Better Read. 9.35 Fantasy Island. 6.15 pm Stars in Action: "Two Rode Together," starring James Stewart and Richard Widmark. 11.05 Late Call. 11.10 Soap. 11.35 Luke's Kingdom.

SOUTHERN

8.45 am Play Guitar II. 9.10 Sesame Street. 10.02 Regional Weather Forecast. 10.05 Sam. 6.15 pm "Woman of Straw," starring Gina Lollobrigida. 11.00 Southern News. 11.05 "Cold Sweat," starring Charles Bronson.

TYNE TEES

9.00 am Saturday Shake-Up. 9.05 Space 1999. 9.55 Saturday Shake-Up. 10.05 Solo One. †10.50 The Saturday Movie: "When Comedy Was King." 12.20 pm Saturday Shake-Up. 5.15 Cartoon Time. 5.30 Oh Boy! 6.00 Happy Days. 6.30 "Chubasco." 11.00 Police Story. 12.40 am Epilogue.

ULSTER

9.30 am A Better Read. 9.55 Larry the Lamb. 10.05 Fangface. 10.30 Chopper Squad. 11.30 Sesame Street. 5.00 pm Sports Results. 5.15 Cartoon Time. 5.30 Oh Boy! 6.00 Makin' It. 6.30 Feature Film: "Raid On Rommel," starring Richard Burton. 9.59 Ulster Weather. 11.00 Fantasy Island.

WESTWARD

9.20 am Look and See. 9.25 Sesame Street. 10.25 Gus Honeybun's Birthdays. 12.27 pm Westward News. 5.14 Westward News and Sports Results. 5.18 Oh Boy! 5.45 Mork and Mindy. †6.15 Feature Film: "Carve Her Name With Pride," starring Virginia McKenna and Paul Scofield. 11.00 Saturday Night in the West. 11.30 Barney Miller. 11.55 Faith for Life. 12.00 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 am Rocket Robin Hood. 9.15 Beachcombers. 9.40 Logan's Run. 5.15 pm Cartoon Time. 5.30 Oh Boy! 6.00 Happy Days. 6.30 Saturday Action Adventure: "The Fire Chasers." 11.00 The Saturday Night Film: "Cold Sweat."

RADIO 1

S stereophonic broadcast

5.00 am As Radio 2. 7.00 News. 7.03 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Peter Powell. 1.00 pm Adrian Juste (S). 2.00 Paul Gambaccini (S). 4.00 Rock on Saturday (S). 7.30 Steve Wright. 10.00 Al Matthews. 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tom Edwards (S). 8.05 David Jacobs with Star Sounds on record (S). 10.02 Pete Murray's Saturday Show (S). 1.02 pm Wit's End. 1.30-6.00 Sport on 2: Football Special (1.30, 2.10, 2.40, 3.15, 3.55, 4.42 and at 5.00, 5.45 classified scores); Rugby Union (1.30, 2.25, 2.45, 3.20, 4.50, 5.30) Thorn County Championship Final; Racing from Newbury (1.30, 1.55, 2.35, 3.05, 4.50) and at 5.45 classified check; Cricket (1.30, 1.50, 5.35); Sports Report (5.00). 6.03 European Pop Jury. 7.02 Beat The Record. 7.30 Big Band Special (S). 8.15 Saturday Night is Gala Night (S). 9.00 The New Swingle Singers take a look at "Songs of Love." (S). 9.30 Freddy Staff in Band Parade (S). 10.02 Sentimental Journey (S). 11.02 Sports Desk. 11.10 Bob Kilbey with The Late Show (S), including 12.00 News. 2.02-5.00 am You And The Night And The Music (S).

RADIO 3

†7.55 am Weather. 8.00 News. 8.05 BBC Welsh Symphony Orchestra (S). 9.00 News. 9.05 Record Review including Building a Library (S). 10.15 Stereo Release (S). 11.15 Bandstand (S). 11.45 Diversions (S). 1.00 pm News. 1.05 Music Group of London Trio (S). 2.00 Play It Again (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Janis Vakarelis piano recital (S). 7.30 Hallé Orchestra, part 1: Berlioz, Bennett (S). 8.20 Reflections on Iran (talk by Ian Grimble). 8.40 Hallé Orchestra, part 2: Elgar (S). 9.45 An Author's Mother (story by E. Scott Fitzgerald). 9.55 Philip Jones Brass Ensemble (S). 10.50 La Gloriosa: Sequence of music at the Court of Isabella d'Este, 1500 (S). 11.55-12.00 News.

VHF only—6.00-8.00 am Open University.

RADIO 4

6.25 am Shipping forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather, programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather, programme news. 8.00 News. 8.10 Sport on 4. 8.45 Today's Papers. 8.50 Yesterday in Parliament. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service. 10.45 Pick of the Week. 11.35 International Assignment. 12.00 News. 12.02 pm Money Box. 12.27 The News Quiz (S). 12.55 Weather, programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping forecast. 2.00 News. 2.05 Wildlife. 2.30 Saturday Afternoon Theatre. 3.30 Does He Take Sugar? 4.00 News. 4.02 God in my Language. 4.30 Time for Verse. 4.40 Submarine. 5.25 Week Ending (S). 5.50 Shipping forecast. 5.55 Weather, Programme News. 6.00 News. 6.15 Desert Island Discs with Claudio Abbado. 6.55 Stop The Week with Robert Robinson. 7.35 Baker's Dozen (S). 8.30 Saturday Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Encore. 11.00 Lighten our Darkness. 11.15 Miles of London. 11.45 Signing On. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News, weather, traffic, sport. 8.15 Weekend What's On. 8.30 London Country. 10.03 Stuart Colman's Echoes. 11.30 The Robbie Vincent Show. 2.00 pm Time Off. 3.00-6.00 am Join Radio 2.

London Broadcasting

7.00 am AM with Steve Wood. 10.00 Jellybone. 12.00 LBC Reports. 1.00 pm Sportswatch. 6.00 LBC Reports. 7.00 Geet Mala. 8.00 Monty At Large. 9.00 The London Interview. 10.00 Nightline. 1.00 am Night Extra. 5.00 Morning Music.

TV RATINGS w/e Feb. 3

TV RATINGS—W/E FEB. 3—UK TOP TWENTY (viewers m)

1	All Creatures Great and Small	(BBC)	18.70
2	Jim'll Fix It	(BBC)	18.60
3	This Is Your Life	(Thames)	18.45
4	Robin's Nest	(Thames)	18.35
5	Coronation St. (Mon.)	(Gran.)	17.85
6	The Dick Emery Show	(BBC)	18.20
7	Keep It In The Family	(Thames)	18.05
8	Coronation St. (Mon.)	(Gran.)	17.65
9	London Night Out	(Thames)	15.95
10	Give Us A Clue	(Thames)	15.90
10	Hazell	(Thames)	15.90
12	Dallas	(BBC)	15.70
13	Hart To Hart	(ITV)	15.30
14	Crossroads (Wed.)	(ATV)	15.20
15	Chief Of Detectives	(ITV)	14.85
16	My Wife Next Door	(BBC)	14.70
17	Armchair Thriller: Dead Man's Kit (Tues.)	(Southern)	14.65
17	Wonder Woman	(BBC)	14.65
19	The Superstars	(BBC)	14.60
20	Crossroads (Tues.)	(ATV)	14.30

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

CHESS SOLUTIONS

Solution to Position No. 306

No. White thought he could and the game went 1 NxP, N-K4! with the main point 2 PxN, QxP ch; 3 PxQ, B-R6 mate or if 2 Q-K2, B-R6! (threat QxP ch); 3 K-Q2, BxP and Black wins quickly. So White tried 2 NxR, NxQ; 3 PxN but 2 .. B-R6! forced resignation.

Solution to Problem No. 306

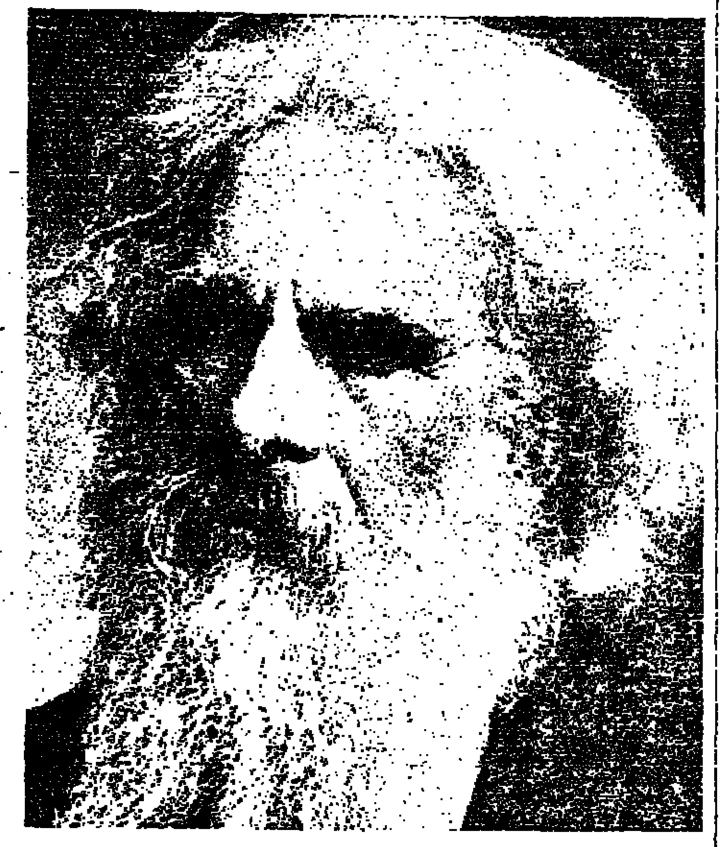
1 Q-KN3. If 1 . . . K-Q7; 2 Q-KB3, K-K8; 3 K-B2 mate, or if K-K7; 2 K-B1, K-K8; 3 K-B2 mate.

هكذا من الاصل

COLLECTING

Father of the movies

BY JANET MARSH



Eadweard Muybridge

JUST A hundred years ago an English photographer called Eadweard Muybridge entertained the former Governor of California, Leland Stanford, and his guests by projecting on a screen moving pictures of a running horse. His method was far from perfect. The device, the "zoopraxiscope," could only project a one-second sequence of movement, made up of 12 successive images. The pictures, though originally made photographically by a device embodying the essential principle of the motion picture camera, had to be redrawn by hand for the zoopraxiscope. But the illusion was magical, and the local paper said, with remarkable prescience: "Mr. Muybridge has laid the foundation of a new method of entertaining the people."

He was a rather unlikely man for so great a role in photographic history. He appears at many points of his life to have been mentally unstable; and often the strongest motive in his work was the obsessive vanity which caused him to change his name from the plainer Edward James Muggeridge.

He was born in Kingston-upon-Thames in 1830 and emigrated to the United States when he was around 22. He started work in the book trade, but in 1860 suffered a near fatal accident—perhaps the origin of his later instability—when an Overland Mail stagecoach overturned. When he returned to San Francisco after a long convalescence in England, it was as an "artistic photographer."

His stereographs and studies of the Yosemite Valley brought him fame along with official commissions to photograph the newly purchased Alaska Territories, the light houses of the Pacific Coast and the Modoc Indian War. His celebrity continued to spread, helped along to no small degree by his habit of publishing anonymous articles in fulsome praise of his own achievements.

In 1872 he met Leland Stanford, founder of Stanford University and then President of the Union Pacific Railroad. It was Stanford's desire to have a photograph of his favourite horse, Occident, running at full speed which first launched Muybridge on the experiments that were to bring him greatness.

The photographer realised that in order to get the results Stanford required, he must devise a system of cameras which could expose a whole series of negatives in rapid succession and with the fastest exposures then available. His researches coincided with those of the French physiologist Etienne Marey, one of several European scientists, then eager to record animal movements. In later years Marey and Muybridge's discoveries were to be a mutual stimulus.

The work was dramatically interrupted at the end of 1874, however, when Muybridge was put on trial for the first degree murder of his young wife's lover, an adventurer called Larkyns. The defence put forward a very convincing plea of insanity; but the jury needed little persuasion that the killing was justified; and Muybridge, luckily for posterity, was acquitted.

By 1878, still financed by Stanford, Muybridge had devised a system to take series photographs, using a battery of cameras triggered in turn by the horse's passage across a succession of wire trips. From photographing — one might almost say, filming—horses, Muybridge progressed to other subjects—pigs, deer, goats, and finally, human beings.

The photographs rapidly achieved world celebrity. Muybridge was feted in Paris and London, where the Prince of Wales came to admire his pictures, which he had by this time turned re-converted, by means of his zoopraxiscope, back into motion.

Parting with Stanford, Muybridge found a new patron in the University of Pennsylvania, which sponsored his magnum opus, *Human and Animal Locomotion*, a superb collection of 781 fine collotype plates, comprising some 20,000 photographs and contained in 11 portfolios. Muybridge's cameras recorded every kind of motion: men, women, animals; a pianist's hands, the motion of cripples and the sick.

Subscribers could buy individual plates or albums of 100. Very few complete sets were sold, which explains their great rarity today. In 1978 a set was sold at auction in New York for $66,000. In London individual plates have recently realised more than £100 each.

Subsequently Muybridge published selections of his photographs in popular editions, *Animals in Motion* and *The Human Figure in Motion*, which were still in print 30 years after his death in 1904.

Even today, Muybridge's analyses of movement have never been supplanted as physiological source material. They have inspired and fascinated artists from Meissonier and Eakins to Francis Bacon. His photographs are a bible for every practitioner of animated film.

Over the years various selections have been reprinted. It is however a major publishing event that Dover have reissued, for the first time since 1887, the whole series, in three formidable and beautiful volumes (Dover-Constable, £55 until April 1: then £65). It is a mesmeric experience to encounter in their entirety these extraordinary images of movement captured more than a century ago: to see Muybridge's collaborators—athletes, invalids, ladies who seem sometimes to have been of slightly doubtful social status—and, in some cases the heavily bearded photographer himself, posing in unashamed nakedness, to reveal to the newly opened eye of the camera the mysteries of animal mechanics.

RACING

DOMINIC WIGAN

THE SCHWEPPES Gold Trophy is invariably a difficult race to sort out for punters, and a year ago it proved likewise for a jockey — Jonjo O'Neill.

Twelve months ago Jonjo opted for Major Thompson who found the concession of ten pounds to stablemate Within the Law, just too much on the run-in.

With the one-time favourite, Vascar, missing today's race, O'Neill faces no similar quandry, for Silver Shadow is Peter Easterby's sole representative. Antepost backers of this grey mare seem assured of a fine run for their money.

The four lengths conqueror of Rionore, to whom she was giving 15 lbs, in a modest handicap at Ayr in November, Silver Shadow put up an even better performance last time out, slamming Danish King at Doncaster.

Always travelling with consummate ease Silver Shadow moved through strongly four flights from home, and taking up the running at the next flight, forged clear to put seven lengths between herself and the Turnell six-year-old.

If O'Neill is again to be foiled in his bid for a first Schweppes success, I believe that either Badsworth Boy or Snowtown Boy will be the cause.

Badsworth Boy, has had a somewhat novel preparation. He completed a quick hat-trick in novice chases at Wetherby, Stockton and Nottingham and struck me as a live Champion Hurdle prospect when running in the SGB Hireshop Hurdle.

Snowtown Boy would undoubtedly have been my selection were the ground this afternoon as fast as at Kempton on Boxing Day where the Uplands five-year-old raced away with the Boxing Day Handicap Hurdle in a time almost seven seconds faster than that of Birds Nest 90 minutes earlier.

But the grey gelding was racing on firm ground there and will not find the going in his favour this afternoon.

In what promises to be another closely fought finish to the National Hunt season's most exhilarating handicap, I expect Badsworth Boy to provide another long-priced winner for the Schweppes.

NEWBURY

1.30—Kimbolton**
2.00—I'm a Driver
2.40—Badsworth Boy***
3.10—Approaching*
3.40—Remigio
4.10—Jakaroo

SNOW REPORTS

EUROPE		
Kitzbuehel (Aus.)	15-130cm	*Snowing above 900m*
Wildschoenau (Aus.)	70-170cm	Powder on hard base
St. Anton (Aus.)	95-320cm	Heavy snow, many runs closed
Seefeld (Aus.)	40-95cm	Some worn patches
Davos (Sw.)	120-260cm	Murky weather
Zermatt (Sw.)	95-245cm	Good skiing above 220m
Verbier (Sw.)	80-220cm	Many runs closed
Saas-Fee (Sw.)	160-280cm	New powder on good base
Andermatt (Sw.)	75-245cm	New snow on hard base
Cortina (It.)	80-140cm	Good skiing
Livigno (It.)	105-185cm	*Good skiing*
Sauze d'Oulx (It.)	50-110cm	Good skiing
Selva (It.)	80-120cm	Excellent skiing
Aosta Valley (It.)		Avalanche danger
European reports from Ski Club of Great Britain representatives		
HE U.S.		
Sugarbush (Vt.)	6-16ins	Packed powder
Stowe (Vt.)	2-18ins	Packed powder
Hunter (NY)	16-62ins	Packed powder
Park City (Utah)	20-62ins	New snow, still falling
Aspen (Col.)	26-60ins	Packed powder, still falling
Squaw Valley (Calif.)	8-72ins	Packed powder, still falling
Figures indicate basic snow depths at top and bottom stations		
OTLAND		
Cairngorm	New snow, icy patches. Access difficult.	
Glenshee	Powder snow, icy patches. Access slight snow.	
Glencoe	Runs complete. Hard packed snow, deep drifts.	
Lecht	New snow, drifting. Access blocked.	

ENTERTAINMENT GUIDE

THEATRES

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THEATRES

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CINEMAS

ABC 1 & 2 SHAFTESBURY AVE. 836 8861. Sep Perfs. ALL SEATS BKBLE. 1: APOCALYPSE NOW (X). Wk. & Sun. 1.15. 4.30. 7.55. Late show Tonight 11.00.
2: THE SEDUCTION OF JOE TYNAN (AA). Wk. Sun. 2.00. 5.00. 8.00. Late show Tonight 11.00.

CLASSIC 1, 2, 3. Haymarket (Piccadilly Circus Tube). 01-839 1527.
1: APOCALYPSE NOW (X). A 70 mm Dolby Stereo presentation. Progs. 1.30. 4.30. 7.40.
2: Dudley Moore "10" (X). Progs. 1.00 (not Sun.) 3.05 5.40. 8.15.
3: SUNBURN (A). Progs. 12.40 (not Sun.). 3.10. 5.40. 8.10.

CLASSIC POLY, Oxford Circus (Upper Regent Street). 637 9863. A DIFFERENT STORY (AA) 1.50 (not Sun.). 5.20. 8.55. THE PRODUCERS (A) 3.40. 7.15.

CLASSIC 1, 2, 3, 4, Oxford St. 01-636 0310 (opp. Tottenham Court Rd. Tube).
1: James Brolin THE AMITYVILLE HORROR (X). Full Stereophonic sound. Progs. 1.00. 3.25. 5.55. 8.20.
2: Clint Eastwood ESCAPE FROM ALCATRAZ (AA). Progs. 1.40. 4.00. 6.20. 8.40.
3: Woody Allen MANHATTAN (AA). Progs. 12.50 2.50. 4.50. 6.50. 8.50.
4: THE HUMAN FACTOR (AA). Progs. 2.00. 4.30. 7.55.
5: THE LORD OF THE RINGS (A). Sep. perfs. 2.00. 5.00. 8.00.

CINEMAS

CLASSIC, Leicester Square. 930 6915. ROCK 'N' ROLL HIGH SCHOOL (AA). EAT MY DUST (AA). Progs. 12.45 (not Sun.). 2.20. 4.00. 7.20.

CURZON, Curzon Street. W1. 499 3737. LEE REMICK in THE EUROPEANS (U). Progs. 2.00 (not Sun.). 4.00. 6.20. 8.40.

ODEON HAYMARKET (930 2738-2771). Jill Clayburg in Bertolucci's LA LUNA (X). Sep. perfs. Wks. 1.45. 5.05. 8.10. Sun. 4.30 7.45. Late night show Fri. & Sat 11.45 pm.

ODEON LEICESTER SQUARE (930 6111). THE BLACK HOLE (A). Sep. perfs. dly. 1.45. 5.00. 8.15. Late night show Saturday 11.45 pm. All seats may be booked at Box Office or by post.

ODEON MARBLE ARCH W2 (723 2011-2) ONE FLEW OVER THE CUCKOO'S NEST (X). Sep. progs. Sun.-Fri. 3.45. 7.40. Sat. 1.15. 4.40. 8.05. Late night show Fri. & Sat. 11.15 pm. Evening perf. and weekends may be booked in advance.

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1: THE DEER HUNTER (X). 12.45. 4.05. 7.30. Late show Sat. 10.50. 2.10. Progs 2.15. 5.05. 7.55. Late show Sat. 10.55.
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LEFEVRE GALLERY, 30, Bruton St., W1. 01-493 1572-3. 19th & 20th CENTURY PAINTINGS AND DRAWINGS on view. Mon.-Fri. 10-5.

MARLBOROUGH, 6, Albemarle St., W1. STEPHEN EDLICH. Recent paintings and collages. Mon.-Fri. 10-5.30. Sat. 10-12.30.

REDFERN GALLERY OSBERT LANCASTER A Retrospective Exhibition. February 6-27. 20, Cork Street, London, W1. Mon.-Fri. 10-5.30. Sats. 10-12.30.

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Saturday February 9 1980

Those behind cry 'Forward!'

THE GOVERNMENT, which is hardly trying to ingratiate itself with its opponents, has now begun to run into trouble with its supporters. There is no clear evidence at this stage that those in front are crying "Back!" and the steel talks incident, when a widely-publicised offer of extra money turned out to be a chimera, is a useful reminder of how far rumour is to be trusted. Nevertheless, reports of hard going in the review of public expenditure, and the lack of any clear news of legislation to curb picketing, is causing impatience.

Old habits

The Government, in refusing to rush extremely difficult measures, is probably wiser than its critics. Much of our present financial agony is the consequence of a Budget which tried to rush too many fences, cutting taxes before expenditure had been checked, and financing the cuts through a combination of higher prices and charges, and excessive public borrowing.

Changing habits of thinking born of a decade of economic mismanagement is a longer and more difficult task even than correcting the financial balance. Realism keeps cropping up in small but significant ways: the refusal of the Sheerness steel workers to stop work in support of their heavily subsidised rivals in the State industry, the reports of growing resistance in BL to the officials call for a strike in support of Mr. Derek Robinson. But old habits die hard. The steelworkers still find it insulting to be asked for productivity.

Now since the Government's central purpose is to bring the actors in the economy back into touch with reality, and indeed to proclaim its own powerlessness to protect us against the results of bad economic performance, it might well be more diversionary than helpful to rush into a power confrontation. The reform of industrial relations will be effective only if the public at large wants reform; and that demand may only become strong as reality gets a grip.

Inflation

It is when workers in general realise what has dawned on the men of Sheerness—that pickets are often demanding subsidies from their "brothers" through higher taxes or higher prices or both—that popular support for a change in the rules will grow. Our present economic situation, in which excessive wage settlements are greatly accentuating the depressing implications of monetary restraint, suggests that we may have to suffer a good deal more before reality is widely understood.

Even in the financial markets, where some of the swivel-chair confrontationists are to be found, there seems to be a good deal left to learn. While the fixed interest markets, in New York as much as in London, are adjusting to a long fight to restrain inflation, the equity markets all over the world have been tending to rise despite the monetary danger signs.

In economies where there is no effective monetary restraint, this makes a kind of sense. Higher defence and aid spending in response to the Afghanistan crisis suggest a higher level of activity but a more obstinate continuation of inflation than seemed likely a couple of months ago.

In Britain, however, we do have determined monetary restraint, which is being imposed almost regardless of long-term expense, and this has implications which the market is reluctant to face. Excitement over a takeover battle is no offset to the gravest financial squeeze industry has faced for five years.

Illusory

This squeeze is no more an accident than the unyielding front which the Government has presented to the steel industry. The Government has laid down the monetary rules, and industry must live as best it can within them. Since it takes two sides to make a wage bargain, it is clear that many employers still regard union power as a much more pressing threat than tight money. The results will be unpleasant for everyone involved.

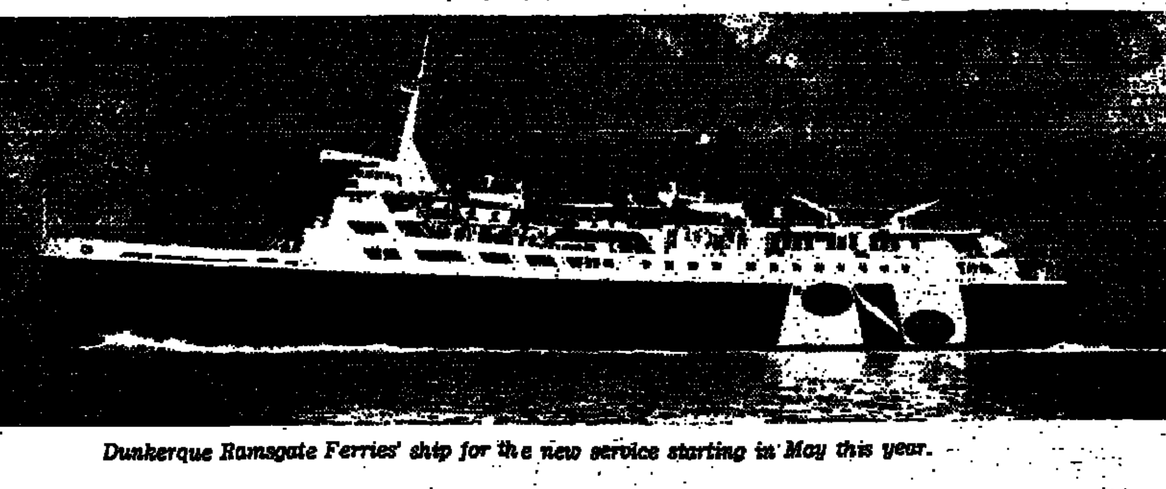
The equity market, which rose on rumours of expensive concessions to win a steel settlement, and fell in response to the news that the cash limits still apply, clearly hankers for the inflationary "comfort" which can probably be expected in New York, despite a decade of falling real earnings and falling real share values to demonstrate how illusory such comfort is bound to prove.

None of this adds up to a message of despair, as some industrial managements are already showing—the level of confidence shown in the last CBI survey was by no means as uniformly bad as alarmists might expect. In the longer run, when our adjustment to monetary restraint is nearer complete, when the worst inflationary shocks are past, when some real growth can be resumed and when the Government is enjoying rising North Sea revenues, progress could be relatively easy and highly encouraging. But we must first go through the pains of withdrawal from our inflationary drugs, and neither calls for an escape into power politics, or for a hair of the monetary dog which bit us, can alter that.

WHAT IT COSTS IN AUGUST

CORTINA 2 adults and 2 children*	Cheapest £	Most expensive £	Foot passengers £
Dunkirk Ramsgate	42.0	50.0	8.00
Townsend Thoresen	49.0	58.0	11.00
HoverLloyd	50.5	73.0	9.00
Sealink†	56.9†	61.4†	9.90
P & O	62.0	67.5	10.40
Seaspeed‡	70.3	70.3	10.50
Seajet	n.a.	n.a.	18.00

* Single fare — short sea crossings UK-France.
† Does not include £15 discount on return fare for early booking.
‡ Does not include £10 discount on return fare for early booking.



Dunkerque Ramsgate Ferries' ship for the new service starting in May this year.

Cross-Channel price war

BY WILLIAM HALL, SHIPPING CORRESPONDENT

FOR YEARS the cross-Channel ferries operating between Dover and France have prospered while other ferry companies in Europe have been struggling. But now a price war has broken out in the Dover Straits and its repercussions will be felt all around the British Isles.

The Dover Straits has long had a reputation as the most expensive stretch of water to cross in the world. A traveller has to pay as much for a trip between Dover and Calais as between Dover and Zeebrugge—over three times the distance. Similarly, it only costs 8 per cent more to take a car from Southampton to Le Havre as it does from Dover to Calais although it is five times as far by sea.

Compared with Scandinavia the Channel ferries look very expensive: on a route equivalent to the Dover-Calais run the return fare for a passenger is £2 and for a car it is £10. Admittedly, many Scandinavian ferries have regular year-round passenger traffic, but even so the Channel looks overpriced.

Indeed, the puzzle is why the current price war has not broken out before. In 1973, the Monopolies Commission said that the agreement whereby the major operators charged common fares was not in the public interest.

However, the two main operators—Sealink, part owned by British Rail, and Townsend Thoresen, owned by European Ferries—continued to charge the same fares and operated a pooling arrangement so that tickets were valid on either company's vessels.

Competition did start to appear when British Rail's hovercraft operation, Seaspeed, began to make inroads into the passenger market, but its effectiveness was bedevilled by technical problems and anyway its marketing was bound up with that of its sister company, Sealink.

P & O Normandy Ferries began operating on the Dover-Boulogne route in 1976 and added a second ship in 1978. In the battle for supremacy in the Channel ferry market Dover is the key port. It is only 21 miles from Calais and the majority of motorists like to take their car abroad by the shortest route on the naive assumption that this is the cheapest way. They forget to cost the extra time spent travelling once abroad.

Roughly half of all passengers and cars crossing to the Continent pass through Dover and on the short sea routes, Dover handles more than three-quarters of the tourist traffic and 88 per cent of the commercial vehicle traffic. Folkestone (12.4 per cent) and Ramsgate (9.8 per cent) are the only serious rivals for passengers.

In the cross-Channel business Dover is also the price leader. Any ferry operator wanting to make an impact on the market virtually has to operate from Dover (hovercraft excepted). This is where the high-density traffic originates and the fare structure for the rest of the Channel is determined. Because of the shortage of berths at Dover it has been very difficult for competitors to break into the market until recently.

The other reason why there has been little competition until now is that the ferry operators have been devoting all of their attention to trying to keep up with the spectacular growth in freight traffic. Over the last decade commercial vehicle traffic across the Channel has mushroomed and now accounts for roughly half the ferry companies' revenues as against virtually nothing 15 years ago.

In 1969 Dover was handling just over 50,000 commercial vehicles a year and 1.7m tons of cargo. Last year over 500,000 lorries passed through Dover and 6.3m tons of cargo. During the same period the number of passengers slightly more than doubled and the number of tourist cars rose by 72 per cent. Dover has benefited tremendously from the decline of London as a major sea port. An increasing amount of cargo, which would previously have gone through London, is being brought in by lorries using the roll-on roll-off ferries. For these reasons the Channel ferry operators have been in the enviable position of not being able to meet peak demand.

New ferry terminal

However, this cosy state of affairs is now under attack. Dover has almost finished building two new berths which will bring its total up to eight ferry berths. With faster turn-round times (Townsend has reduced it to an hour) Dover's berthing facilities will have been effectively increased by 50 per cent.

In addition Ramsgate, 20 miles along the coast, has built a new ferry terminal and is intent on capturing part of Dover's lucrative traffic. Its harbour has nowhere near the same natural advantages as Dover, and there are silting problems, but on the other hand Ramsgate is easily accessible from London and less congested than Dover. Already one new operator, Dunkerque Ramsgate Ferries, has taken advantage of the new facilities and plans to start a two-hour cross-Channel service three times a day.

U.K.—FRANCE (SHORT-SEA ROUTES)

	Routes	Vessels	Crossing time (minutes)	Peak frequency	Peak daily capacity: Passengers	Peak daily capacity: Cars
FERRIES						
Sealink*	A, B, C, D, E	13	90-140	63	73,000	12,000
Townsend	A	3	75	30	39,000	10,500
P & O	B	3	105	24	24,000	5,300
Dunkirk-Ramsgate	G	1	120	6	7,500	1,000
HOVERCRAFT						
Seaspeed	A, B	3	40	36	15,250	2,000
Hover-Lloyd	F	4	40	54	15,000	2,000
JETFOIL						
Seajet	E	1	120	12	3,100	—

* 9 British and 4 French ferries

Routes: A Dover-Calais, B Dover-Boulogne, C Dover-Dunkirk, D Folkestone-Boulogne, E Folkestone-Calais, F Ramsgate-Calais, G Ramsgate-Dunkirk, E Brighton-Dieppe.

The traditional hold of Sealink and Townsend Thoresen is also now being threatened by the hovercraft operators. British Rail's Seaspeed very nearly doubled its market share to 15 per cent last year—carrying 1¼m passengers and 186,000 cars between Dover and Calais/Boulogne. Along with Hoverlloyd (together they have about a third of the market) the hovercraft operators have proved there is a demand for fast Channel crossings.

Finally, a number of companies have started to operate jetfoils. The first — crossing between Brighton and Dieppe — has been in service for almost a year and P & O's two new jetfoils should start operating between London and Ostend at the end of this month. The Belgian Transport Ministry has also announced its decision in principle to buy two £15m jetfoils (equivalent to the cost of two new ferries) for its Dover-Ostend route.

If all this new equipment was not enough, all the conventional operators are introducing additional ferries this year, increasing their capacity by 40 per cent. Townsend Thoresen will have three new ferries operating by the end of the year and Sealink will have two. The combined investment is of the order of £80m. P & O is introducing a third ferry this week and the French Schiaffino group intends to start operating a couple of freight ferries later this year.

Against this background it was virtually inevitable that the old pooling arrangement whereby the major operators agreed common fares would disintegrate. However, few travel agents were prepared for the current chaos.

It was thought that the major ferry operators would use their new-found pricing freedom to stimulate off-peak travel. Only 2½ per cent of Dover's total number of passengers travel during February, for example. To some extent Sealink, followed by Townsend, has followed this course, offering £20 return fares for a car plus two people in February. This is a reduction of more than £60 on the normal fare.

However, both operators have cut their prices during the peak summer months much to the consternation of the smaller operators. Townsend has altered its pricing structure so strict comparison with last year is complicated. But single passenger fares have been cut by nearly 20 per cent.

Townsend's aggressive pricing policy, which is linked to the introduction of its new generation of jumbo ferries, seems to have caught Sealink off guard. Only weeks after announcing its 1980 tariffs Sealink decided to scrap the higher rates for larger cars in an effort to match Townsend's prices. As a result prices for large cars were cut by more than a third.

One side effect of this was that Sealink had to reprint all its 1980 tariff schedules and promise to compensate all large car owners who had already booked their 1980 holiday crossing. Sealink has also thrown the travel trade into further confusion by altering the size and dates of the discounts it offers for early booking as well as introducing a series of special offers each month. Meanwhile, an outsider, Dunkerque Ramsgate Ferries, has decided to undercut virtually every other operator to win business.

The vast bulk of the tourist traffic crosses the channel in the summer months from June to September, so it will be some time before it becomes clear who is winning the battle for the dominant share of the market.

Sealink and Townsend are well placed. Both are taking delivery of newer and more efficient tonnage and both are financially strong. Of the two, Townsend Thoresen is in the best position. Its three new ferries are the most advanced vessels yet seen and because of their speed can do as many trips per day as four old ferries.

Sealink by contrast is considered by many observers as the joker in the pack. For years it was a rather sleepy company and provided little competition for Townsend Thoresen. However, at the start of last year it was hived off as a separate company although still owned by British Rail. This move gave it greater flexibility and it was set a financial target to meet—a 5 per cent real return on its net fixed assets by 1982. At the moment it is making half that.

Sealink has made some ambitious noises about wanting to be "never knowingly undersold" on the cross-channel routes. It has the capacity and strength to squeeze out much of the weaker competition if it was really intent on doing so. On the other hand it is argued that the need to meet a rigorous financial target plus the caution of British Rail's partners in Sealink (French Railways, the Belgian Maritime Transport Authority and the Zeeland Steamship Company) will prevent it from going overboard with its price cutting.

Meanwhile, the two hovercraft companies have been remarkably successful in establishing themselves. Indeed, Townsend Thoresen's decision to go for faster ships and a reduction in crossing times is an admission that it is taking the hovercraft threat seriously.

Townsend has recently been taking full page advertisements publicising the fact that it has broken the cross-channel speed record for conventional ferries. However, a crossing time of 53 minutes 49 seconds (the scheduled time is 75 minutes) is still considerably slower than the hovercraft's fastest crossing of 21 minutes. In addition, Sealink estimates that Townsend's higher speeds will result in a 55 per cent increase in fuel consumption. Townsend disputes this, but refuses to disclose the fuel consumption of its new ferries.

With ships' bunker costs doubling over the last year, fuel costs have become a key factor nowadays. As a rule of thumb, ferries can break even one-third full. Hovercraft have to be almost full to make any money and their operating results so far have been far from healthy. Seaspeed lost money in 1978 and Hoverlloyd made a small profit.

Last year Seaspeed did better, but Hoverlloyd was hit by higher fuel costs and its future is in the melting pot since its owners, the Swedish Brostroms Group, are known to want to sell it. The rumoured selling price was £15m but this has now dropped to less than £10m. In addition any purchaser would have to find an extra £25m to increase the size of Hoverlloyd's ageing fleet.

Growth to tail off

British Rail's Seaspeed is known to be interested in purchasing Hoverlloyd but this has been ruled out since the Government will not sanction the expenditure. There are various other solutions being explored, such as the purchase of Hoverlloyd by a third party which would then link up with Seaspeed.

The combined group could provide stiff competition for the conventional ferry operators because of the economies of scale. But it is unclear what impact higher fuel prices will have on their operations and whether passengers will be prepared to pay premium prices for a faster crossing. The same doubt applies to the hydrofoils.

The only thing that can be said with any degree of certainty is that the period of excess demand for the ferry operators is over—probably for good. The main companies hope that the bulk of the price cutting will be concentrated on stimulating the off-peak market. However, with the collapse of the common pricing policy of Sealink and Townsend plus the sharp increase in new capacity, this seems a fragile hope.

Within the next few years the spectacular growth in commercial traffic is expected to tail off and higher petrol prices are already discouraging bulk daymakers from taking their cars abroad (car traffic through Dover stagnated last year). In the future looms the prospect of competition from a channel tunnel. For the ferry men the salad days appear to be over.

Letters to the Editor

Police

From Lord Inglewood

Sir,—Ian Davidson's article on the police (January 25) was very timely and there are more chapter headings than the five he mentions.

The sixth could be the need generally for improved understanding of what policing is about and to achieve this the police must be much more frank in their turn. At present they seem absurdly suspicious even of those who want to help them and have the best of motives. If two forces in England organise night classes explaining police organisation and duties, why cannot others do the same?

The relations between police and public will always be of a love-hate kind and it is up to politicians and members of police authorities to try to dispel the hate element.

I would disagree with Ian Davidson when he criticises what he calls the loquacity of certain chief constables. I much prefer that they should explain what they are trying to do as against shutting themselves up in their force headquarters and becoming remote mysterious figures. The police in Britain are feared more than they know or are prepared to admit and much of this could be dispelled if police authorities would play a more positive part but all too many are weak and secretive about their statutory responsibilities.

And I would mention one further chapter, which is the quality of those joining the police service and the training they will receive. Whatever remedial measures the Government, the people of Britain or the police themselves may take in order to improve conditions on the surface, there will remain the basic problems of recruiting not just numbers to fill the establishment, but enough men of real talent and ability to ensure a selection when it comes to appointing men to the more senior jobs. At present this does not happen and the consequences are clear for all to see.

Inglewood.
House of Lords, SW1.

Imports

From Mr. K. Napuk

Sir,—For some time successive Governments have grappled with the balance of payments problem without success. Ministers are correct that the economy has a supply problem, that is, that it could not meet domestic demand and required vast quantities of imported goods to satisfy that demand. Past strategy, however, never effectively addressed this problem by focusing on imports to reduce this imbalance. Rather, the emphasis mistakenly was placed on supporting largely inefficient companies unable to compete and survive on their own. Even funding a new industry such as microchips might help meet future industrial demand, but present consumer demand remains unchanged and that is the primary cause of the trade imbalance.

A proper strategy would begin by identifying those industries in which there is a clear trade imbalance. Having identified where the supply/demand problems are, it would be a policy/technical decision to decide which industries required domestic suppliers. Domestic producers could be established in two ways: locating the necessary production and managerial skills available here and abroad and "packaging" them with adequate public funding; and encouraging efficient foreign companies to locate in the United Kingdom. In the former there would be 100 per cent import substitution, while the latter would guarantee at least 75 per cent substitution even if there was a 25 per cent leakage in repatriated profits. Either way, there would be a dramatic reduction in imports when efficient, effective domestic suppliers began producing consumer goods. It is estimated there would be a multiplier of ten times any original investment in the form of newly created domestic sales directly replacing imported goods, that is, a public investment of £100m could generate a reduction of £1bn in imports. Moreover, this public investment would represent a one-off requirement and would be repaid to the Treasury from future profits of domestic producers.

This strategy easily could be proven by selecting a modest demonstration project involving five companies in five different industries. Such action would be the most positive step forward to improving this country's chronic imbalance of payments that any Government could take. Import substitution by publicly supported domestic producers could win the day, not hopeless and impotent policy of import controls.

Kerry Napuk.
Townhead, Ancrum, Jedburgh, Roxburghshire, Scotland.

Interest

From Col. C. de Lisle

Sir,—I am delighted that at last, the disclosure regulations to the Consumer Credit Act 1974 are shortly to be laid before Parliament. I am equally pleased to see that common sense has prevailed, in that home loans are to be excluded from the regulations; for if not so excluded mortgage repayments would, of necessity to conform, rise across the board.

There is however, one aspect of your correspondent's comments (January 30) which I should like to raise. He rightly pointed out that in the future all advertisements and quotations must show the total charge (interest) for credit, expressed as a percentage. Unhappily, and he was not alone in this, he used the phrase "annual percentage return" (APR) when referring to this rate. The rate to which he referred is in fact the effective rate of interest, derived from the nominal rate, converted according to the number of repayments made within any one year and the Act treats this rate by truncating it to one place of decimals and calling it "annual percentage rate of charge" (A%RC), not the APR.

May I make a plea that APR is never used in this country to express the rate to which the Act refers, for APR in the U.S. refers specifically to the "nominal," not the effective, and already there are thousands of computer programs and programmed calculators of U.S. origin so designed. Confusion, and error, are inevitable if we start using a term with the same nomenclature meaning precisely different things.

Colonel C. de Lisle
Rabley Park, Ridge, Potters Bar, Hertfordshire.

Housing

From Mr. D. J. Roaf

Sir,—Samuel Brittan's Lombard column (January 21) on mortgage rates suggests "low-start mortgages" as the way to help poor people to buy houses. Such schemes are needed because we continue to use historic accounting in times of high inflation. Most of the interest now paid on mortgages is, in real terms, repayment of capital. Depositors in building societies are repaid in depreciated currency—and even present interest rates do not compensate them fully. Houses last 60 years or more—much longer than other assets. Inflation accounting is essential for discussions of housing finance.

If we were to "index-link" both mortgage loans and deposits, we could make house-purchase easier and help the small saver. Interest rates would be 2 per cent or 3 per cent because depositors would know they would get their purchasing power back with their money. The real burden of an index-linked mortgage might be a steady 10 per cent of a borrower's after-tax income for 20 years (on a conventional mortgage it starts at 25 per cent, but 10 per cent inflation reduces it to 3 per cent in year 20). Incidentally index-linked mortgages are part of Liberal Party policy.

Council house finance on historic accounting is also misleading. The Government claims that selling council houses at half-price is profitable if this price is above the original cost. Inflation accounting would show this is nonsense. Of course we may still want to sell council houses in order to create mixed communities or to improve standards of maintenance or simply because tenants want to buy. We might even want to sell blocks of unlettable flats for rehabilitation. But we should be told the true facts.

A new council house costing £16,000 may bear interest charges of £40 per week—on top of repairs and management of, say, £3 per week. Yet rents (excluding rates) may be only £8 per week. The deficit is met by a special Government subsidy of £25 per week and other council tenants bear the remaining £10 per week. Over the years inflation will increase the rent, so that after 20 years at 10 per cent inflation the full £40 will be met from rent.

If we were to index-link council housing loans and interest rates fell to 2 or 3 per cent, no central Government subsidy would be needed. If the Government wants to cut its spending and still allow council houses to be built, index-linked loans would be the answer. Our present subsidies are unnecessary!

Failure to use inflation accounting nearly bankrupted British business in 1974-75. Must this failure also destroy our house-building programme?

D. J. Roaf.
Exeter College, Oxford.

Indexation

From Mr. G. Kramers

Sir,—In recent months much has been written in your columns about the index-linked pensions that are enjoyed by the civil service. Whatever the views expressed, all your readers would be pleased to be able to look forward to such a pension and I would suggest that the Government should try to bring such pensions within the reach of all.

It could, in time, achieve this by issuing one series after another of index-linked stock to "registered" insurance companies and pension funds for the benefit of UK nationals.

The interest rate on the stock would be about 5 per cent and would not change but there would be a triennial review for each series followed by a bonus issue of stock to the holders to bring the purchasing power of the original investment into line with current purchasing power as measured by the Index of Retail Prices. The stock would only be sold to "registered" insurance companies and pension funds for the benefit of funds and pension arrangements that aim to provide index-linked pensions and satisfy the Registrar that the stock is being used for that purpose.

The amount of money that the institutions and pension funds are seeking to invest is already enormous, it is growing year by year and it presents a problem that has to be faced.

Fund managers want a "real" return on their money so they stay out of the market and force up interest rates; in order to satisfy the borrowing requirement, the authorities have to increase minimum lending rate. If such an index-linked stock were available to pension funds, interest rates could be expected to fall and the economy would benefit as industry would find it easier to expand. If high interest rates are paid many will hope that inflation goes on so that the interest on the National Debt becomes a smaller proportion of the GNP—the existence of an index-linked stock would be a constant reminder of the need to curb inflation.

G. H. Kramers.
Partingdale Lodge, Partingdale Lane, Mill Hill, NW7.

ISSUES BEHIND TV'S CHANNEL 4

BY IAN DAVIDSON

The doubts about advertising receipts

DO WE need a fourth television channel? This may seem an otiose question, since the Government has just tabled its Bill for the establishment of just such a second commercial TV channel. But the consensus of the professionals, whether in television itself or in the advertising industry, is that a fourth channel would not in any large way increase the size of the viewing audience; some would put the potential increase as low as 1 or 2 per cent.

This would imply that the viewing public is satisfied with what is currently on offer. Nobody, of course, thinks that our television service is perfect; in theory everybody would like more choice. But there has never been any sign of a populist movement demanding a fourth channel, and we are constantly reminded that British television is, despite its warts, the best in the world.

Nevertheless, the notion of a fourth channel has acquired an irreversible momentum of its own. Most television sets have long had a button labelled "TV-2", as if waiting for the great day to arrive, and now with the Government's Broadcasting Bill it seems almost to have arrived. The crucial question is, what kind of channel will it be, and how will it be organised?

Both the outgoing Labour Government and the incoming Conservative Government have been clear that the new channel should provide a different kind of service from that available on the current ITV channel. Under Labour the catchword was "access"; an Open Broadcasting Authority would be established to ensure that the charmed world of the ITV cartel would be opened up to independent programme-makers, and even to ordinary people.

The Conservatives, in contrast, have been anxious to close down Quangos wherever possible, so they are understandably reluctant to set up a new one. In any case, they do not think it is necessary. Mr. William Whitelaw, the Home Secretary, has endorsed the view that the new channel should provide much greater access to independent programme-makers, but he has decided that this can be achieved within the existing television structure.

Subsidiary

The Independent Broadcasting Authority, which is supposed to supervise the activities of the ITV and independent local radio companies, is to set up a subsidiary company which will be responsible for organising the content of the new channel. In principle, the new channel will differ from ITV in being a national service, with some local options, including some Welsh programmes in Wales; in practice, this is not very different from ITV, where most of the service is networked, and regional programming takes place at the margin. In political terms, however, this margin is rather important, since it includes quite a fair amount of coverage of local political figures, who are assiduously cultivated by the regional TV programme companies.

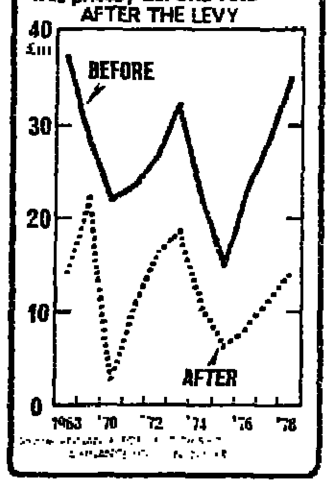
The fourth channel is to differ from the existing commercial TV channel in its programme content. Mr. Whitelaw has specified that it must have a distinctive character of its own, and that to this end it must give a "suitable" proportion of its air-time to minority and educational interests. In addition, the IBA must ensure that a "substantial" proportion of the programmes must come from independent producers who are not controlled by the existing commercial television companies. The Government has not spelled out what it means by either "suitable" or "substantial"; but the IBA has already indicated that it would expect to get between 15 and 35 per cent of the new programming from independent producers.

In its ruminations on the programme content of channel four, the Government seems to have been motivated by two considerations, one positive, one negative. On the positive side, it has decided that there is no point in providing another television channel unless it offers something different from what is already available; on the negative side, it has decided that the new channel must not compete with the existing ITV channel, since this would lead to a ratings war with ITV-1, and thus also with BBC-1, and would bring about a ruinous decline of all standards.

It is easy to agree with the first proposition; the second seems more open to debate. On public interest grounds, there would clearly be no case for a new channel if it confined itself to studio games and soap opera; but it is very curious to see a Conservative Government, and especially one headed by Mrs. Margaret Thatcher, expressing alarm about the potentially deleterious effects of competition.

This fear of competition rests on the assumption that the size of the television audience, besides being very stable, is also at or near its maximum level. In 1978, before the ITV strike, the BBC averaged about 47 per cent of the audience (BBC-1, 39 per cent and BBC-2, 8 per cent), while ITV got about 53 per cent. Now the BBC is held to believe that it could not tolerate a situation in which it got less than 40 per cent of the audience, since the licence fee imposed on all TV sets implies a duty to offer a service with very substantial popular appeal.

ITV COMPANIES:
PRE-TAX PROFITS (at constant 1965 prices) BEFORE AND AFTER THE LEVY



This would appear to leave rather little room for the new channel. Indeed, the IBA appears to believe that the addition of the fourth channel would raise the total market share of the two commercial channels to 60 per cent (leaving the BBC with its minimum 40 per cent), and that of this 60 per cent, channel four would get 10-15 percentage points, leaving ITV-1 with 45-50 per cent. The implication is that any larger share would lead to a ratings war either with the BBC, or with ITV-1, or with both.

There seem to be three possible flaws in this line of reasoning. The first is that we have for many years had competition for ratings between the BBC and ITV, without a collapse of all programme standards.

Second, it is hard to understand why 40 per cent should be a sacrosanct minimum for the BBC. If we had three popular programmes, and only one for minority interests (BBC-2), then the three could each be satisfied with 30 per cent.

Third, while the notional TV audience is stable, it is not at all clear that it gives the maximum attention to what is appearing on the screen, or gets the maximum enjoyment from it. New research techniques will be able to measure how many people are actually in the room while the set is switched on, and the probable increase in the proportion of two-set families, which may reach 50 per cent in the mid-eighties, will mean that more people can be watching programmes they want to watch.

Nevertheless, the IBA is convinced that the new channel must lose money, and the Government has decided not merely that the channel must not compete with the existing ITV-1, but that it must be subsidised by the ITV companies. Indeed, the prevention of competition is to go so far that the selling of advertisements will be handled, not by the channel four company, but by the ITV companies, which will also (according to the IBA proposals) provide up to three-quarters of the programmes and have the largest single block of seats on the board of the new company. It follows that the companies will have considerable freedom in controlling and balancing the volume and price of the advertisements, and in influencing the selection and price of the programmes which appear on the new channel.

The IBA has estimated that the addition of the fourth channel would not increase total commercial TV advertising by more than 10 per cent, or about £40m at 1979 prices, whereas it thinks the expenditure budget of the new company should be £60m-£80.m Hence the need to exact contributions from the ITV-1 companies.

But the advertising industry, using the IBA's own figures, has come up with quite different answers, which indicate that the likely income of the new channel would be at least £68m, and possibly as much as £112m. In that case, the new channel would be self-supporting from the word go; would not require any subsidy from the ITV companies; and would not, therefore, need any of the conspicuous links which would make it so very complementary to ITV-1.

This controversy is essentially a conflict of vested interests. If the new channel were intended to be a genuinely independent commercial company, it would have to limit its expenditure to what it thought it could finance. One large and successful (but independent) TV programme maker is convinced that the capital for such a company could be raised without difficulty. Before ITV-1 started, many thought it was commercially hare-brained: Lord Thomson later described it as a licence to print money.

Competence

Obviously, the ITV companies are anxious to prove that the new channel, which could be a commercial challenge to their comfortable cartel, can only survive with their help. Equally obviously, the advertising industry, which does not like the monopolistic aspect of ITV-1, is anxious to prove that the new channel could very well survive on its own.

What remains somewhat perplexing is the position, in this battle of vested interests, of the IBA itself. According to its charter it must be wholly independent, and while its critics have long maintained that it is a poor plaything in the hands of the sharp men in the ITV companies, do doubt it is independent: but is is competent? It is certainly very odd that it should be so easy for the advertisers to argue, on the basis of the IBA's own figures—and using nothing more abstruse than a few percentage calculations—that its financial conclusions are fundamentally unsound.

Of course, it is perfectly possible for the new channel to run at a loss; it only requires that the company should spend too much money on programmes which too few people want to watch. The trouble with the arrangements being proposed by Mr. Whitelaw and the IBA is that they maximise both the incentive and the opportunity for the ITV franchise holders to ensure thatt hey maximise their profits while minimising the independent viability of the new channel.

In the end, one is driven to question the structures which govern broadcasting in this country, and which are such a curious muddle. The central text for all current discussion, and the starting point both for the IBA's plans and for the new Bill, is the speech by Mr. William Whitelaw, at the convention of the Royal Television Society last September. But it is a speech which can only excite astonishment.

At one point he said: "A television service funded in part—and perhaps in large part—by direct government grant is an undesirable and in my view a dangerous precedent." The curious thing about this statement is that the BBC is funded entirely by a tax fixed and periodically altered by the government of the day on the basis of openly discussed revenue needs; while the ostensible deficit in the operations of the new channel is to be met by a scheme which will indirectly be financed by the Government, since the subsidy will correspondingly reduce the profits on which the companies pay a two-thirds levy to the Government.

Further on, he discusses the difficulty of legislating for the control of broadcasting. "Great detail in legislation may prove misconceived," he said, "yet an injunction to do good, so general as to be platitudinous, would rightly not satisfy either Parliament or the public." The paradox is that the television acts which govern ITV are fairly specific, with injunctions concerning the portrayal of violence, political balance and impartiality, and who may or may not express opinions: whereas the BBC charter is wholly devoid of any reference to the question of editorial standards, and is exclusively concerned with house-keeping issues. The double paradox is that the BBC, internationally regarded as the bench-mark for broadcasting standards, is regularly the object of political controversy and governmental pressure, whereas the ITV companies are rarely the target.

The explanation of this discrepancy is certainly not to be found in any difference in the real behaviour of the BBC and ITV, nor in any positive activity of the IBA. Experts in the industry would say that the BBC is regarded by politicians as serious and therefore potentially threatening, whereas the companies are regarded as being slightly less than respectable.

But the real difference lies in the existence of the IBA as a separate if largely passive organisation whose statutory duty is to represent the public interest: whereas the BBC governors have to combine both the public interest and the interest of the broadcasters.

On the basis of the present proposals the fourth channel is unlikely to satisfy anyone except the ITV companies. The IBA would be much more useful if its role were extended to cover the entire broadcasting industry, including the BBC—provided, that is, that it can do its sums.

Weekend Brief

Dangers of avalanche in the Alpine ski resorts . . . China sees a revival of corruption . . . all beautiful people are brown

Snowy death traps

In ski resorts across Europe this week they have been putting up signs to warn visitors of avalanche danger. The sticky unseasonal warmth of the past few days has loosened the deep Alpine winter snow, and suddenly there are parts of the mountain areas which are quite literally death traps. Every year the avalanches claim more victims. This week they have included Robert Blanc, the 47-year-old originator of the Ski Evolutif teaching system and driving force of the French resort of Les Arcs.

Blanc was a brilliant skier and impressively mountain-wise, but still he fell victim—apparently while exploring snow conditions before holiday-makers were allowed anywhere near the danger zone.

The past week has seen typical avalanche conditions in most of mountain Europe. So far it has been a winter of heavy snows, but also of varied temperatures. Snow is not a uniform material. Over the winter months it forms layer after layer, each of a different texture. White snow may fall on a previous cover of icy sleet and they may both in turn be covered by a heavy big-flake blizzard. Sometimes these layers weld together but sometimes not. Huge weights of snow can hang loosely on steep slopes. A warm spell, perhaps encouraging a ground thaw which actually puts a film of water between the snow and the mountain, pushes a basic instability to a critical point. At that stage almost anything can set an avalanche moving.

Most mountain communities are well aware of their own avalanche danger areas. Resorts like Zermatt in Switzerland and Macunaga in Italy are cut off from time to time. Even a casual visitor to mountain valleys can see the paths they carved in the past. Anti-avalanche fences are placed at the top of the chute down which they normally tumble; explosives are planted in the summer and detonated by remote control to set off small slides before the big ones become likely; shells are fired into the snow to loosen it; visitors are warned; and, above all, the mountains are regularly inspected. Why then do people die?

There are three basic reasons, and the prime one is that nature is unpredictable. No matter how great the experience there is always the possibility that nature will do the unexpected and an avalanche will strike where none has been before. The second problem is that of human stupidity. In spite of warning signs skiers still head off without guide into deep snow. There is a modern enthusiasm for deep snow skiing and resorts are increasingly driven to giving skiers greater freedom to explore. The resort that does not do this loses custom to competitors who do. This week, accompanied by a mountain guide,I have wandered far from the prepared ski runs, but no matter how venturous we were, we frequently encountered other skiers. Inexperienced but adverturous skiers can easily be caught even by a "small" avalanche which is nonetheless a killer but, perhaps more worrying, can set one off for innocents below.

Skiers going a long way from prepared areas should notify someone of their proposed route and, if possible, carry locator bleepers which enable rescuers to find a buried skier quickly—but few seem to do either of these things. Caught in an avalanche there is not much you can do although theories abound. A surprising number of people do survive the experience sometimes after being buried for days. The first thing to try to do is to get out of the way—not by skiing downhill—but by making for shelter. Trees are usually a sure sign of a spot out of avalanche routes. If snow actually hits you most experts advise giving first priority to keeping an air pocket around the face by getting your hands over it. Suffocation is a major avalanche killer.

Basically, however, the number of recreational skiers caught by avalanches is remarkably low considering the apparent danger. Avalanches are not part of the everyday life of the average ski holiday-makers, particularly those who take even half-hearted care. The avalanche season nonetheless shows that even in these days of technological skiing mountains must be taken seriously. It is this need for care which provides the third reason for accidents. There is always someone who has to check on the danger on behalf of others and it is he who is most exposed. Robert Blanc this week showed just how exposed.

Return of Oriental wiliness

Black marketeering, tipping, trade in girlie magazines, gambling and the practice of some foreign businessmen to offer "inducements" to state officials to secure contracts are part of the price China is paying for greater contact with the outside world and the more relaxed approach inside the country to the free market.

A sign of Chinese concern at abuses of foreign exchange regulations came last month with the crackdown on black marketeering in local currency. According to reports from Canton, which is the entry point for many travellers coming from China, an exchange rate of seven to one was being secured by those selling foreign currency to local Chinese.

This has led to similar measures to those adopted in Czechoslovakia where foreign exchange abuses were rampant in the early 1970s. Foreigners will now be issued with foreign exchange certificates, like a second currency, which will have to be used for purchases from approved businesses. Foreigners will not be precluded from using local currency. Demand for foreign exchange comes from Chinese wishing to buy consumer goods either from stores in China catering for foreigners, or for use outside the country.

Black marketeering is not confined to currency violations. Goods ranging from dark glasses to antique vases and furniture can now be purchased at "non approved" outlets. Chinese will also pay big prices for foreign sex magazines and cassette tapes featuring Deng Lijun, otherwise known as Therese Teng, who sings sultry pre-1949 love songs.

Dark glasses, particularly those with reflecting glass, are in great demand and it is considered de rigeur to keep the label glued to the glass, therefore impeding the wearer's vision. This is apparently considered a minor irritation in the interests of fashion.

The growing practice of foreign businessmen to provide inducements to state officials is partly the result of fierce competition among traders to secure Chinese contracts. One American businesswoman, experienced in the China trade, told this correspondent recently that officials from a state corporation concerned with purchasing large quantities of raw materials overseas now virtually expected "presents" to secure their co-operation. She said it was commonplace for small luxury items such as calculators and watches to be given to Chinese officials. She blamed the Japanese for the growth of this practice.

Along with black marketeering, it also appears that gambling is re-emerging in China. A letter to the Communist Party newspaper, People's Daily, this week complains about the "evil wind" of gambling, and its writer called for action against gamblers whom, he said, were sabotaging public order and having an evil effect on young people. According to the People's Daily one commune in Anhui province, in East China, ran up a deficit of about £20,000 because workers spent so much time gambling.

One practice—tipping—which had been unheard of in China, has started at the Peking Hotel, home of many foreign businessmen in the Chinese capital. A British couple, long-term residents at the hotel, confided recently that service was extremely poor until they began tipping the senior attendant on their floor. The couple were not sure whether the practice was widespread, but they thought others also tipped. Some might regard the latter as the most disappointing development.

Joining the brownies

That chap in the pin-stripe suit, the whiter than white shirt and the tan that positively shrieks Bahamas or Gstaad, who takes the 9.35 from Sloane Square to Mansion House every morning is about to be exposed.

Information from unusually reliable sources enables us to reveal that his suntan comes not from a winter break in the Caribbean, nor even a long weekend's skiing in Switzerland. He got it in a basement in Sloane Street, by spending 20 minutes each morning on his way to work lying on a glass bed, under a battery of bulbs, like the ham in a sandwich, being slowly toasted to his present hue of rich golden brown.

Carolyn Sears, cabaret artiste turned beauty salon proprietress, who runs the "tannery" from the basement area of the chic Knightsbridge boutique Harabel's says the upsurge since Christmas of men wanting suntans has been quite remarkable.

"Last year it was only the odd husband of one of our women clients who would pop in for a tan. But since Christmas we haven't been able to cope with demand. We only take men first thing in the mornings before we start on the ladies so most of our male customers pop in on the way to work. Some want to keep up a tan they got on holiday, others want to get a good base so they won't burn when they go on their next holiday, but a lot of them just want to look brown all year round. They say looking brown makes them feel healthy, and look good."

Across the road from Harabel's at the Carlton Tower Hotel, the men's gymnasium and health club run by Nicholas of London has seen the light and invested in one of the £2,000 suntan beds to capture a share of what it sees as a booming male suntan market. "At the moment we have about 29 regulars a week who come in before or after work to spend half-an-hour or 45 minutes on the solarium. One or two are topping up holiday tans but most of them just want to look healthy—and a tan makes anyone look healthy."

Such is the growth in the fake tan market, that one enterprising operation has opened up selling nothing but instant suntans. Called, appropriately enough, Brownies, and sited centrally in Fouberts Place off Carnaby Street, it has four beds for women and three for men, an investment of around £15,000. When I 'phoned yesterday all beds were fully booked. Nothing available until next Wednesday.

"Since Christmas there has been a tremendous upsurge in the demand for suntans, especially from men," says Brownies manageress Cathy Cheyne. "We are doing about 100 men a week at the moment —although a few of them are repeats, in that they come two or even three times a week. We have all sorts coming in —producers from the BBC, a lot of people from the rag trade, even a chap from British Rail. I think most of them come in to get a tan because it gives them a sense of wellbeing, but I think more men are coming to terms with their vanity. They think £6 a session is a small price to pay for looking good."

But if the men's suntan market is rosy, the women's market is glowing even better, thank you. At Covent Garden's very expensive Sanctuary health and beauty club (£600 a year, or £18 a day) the demand has been so great they have had to double the number of solarium beds from five to 10 and are about to double that again.

"Every one wants to look brown during the winter," says Sanctuary spokesman Carol Hayes. "We are doing about 100 women a day on average, from secretaries to models to high-powered businesswomen. I think the state of the economy has something to do with it. Its cheaper to come here and spend a couple of hours on a sunbed than take a winter holiday."

Contributors:
Arthur Sandles
Tony Walker
Robyn Wilson

Economic Diary

ECONOMIC DIARY

TO-DAY—One-day conference on South Africa, Westminster Cathedral

MONDAY—BL Longbridge plant strike call. European Central Bankers begin two-day meeting in Basle. Wholesale price index (January provisional). Central Government transactions (including borowing requirement) (January). Turnover of the catering trades (fourth quarter). European Parliament in session, Strasbourg. EEC Finance Council meets. National Union of Teachers' half-day strike against staff cuts, Coventry.

TUESDAY—Result of BL pay ballot. Shipbuilding pay talks resume, Newcastle. Building Societies' monthly figures (January). Sir Geoffrey Howe, Chancellor of the Exchequer, at Electrical Contractors Association dinner, Grosvenor House Hotel, London. Meccano workers meet management, Old Court Place, W.8.

WEDNESDAY—Index of industrial production (December provisional). Statement by Confederation of British Industry on links between industry and education, Midland Hotel, Birmingham. Prince of Wales and Mr. Gordon Richardson, Governor of the Bank of England, speak at annual banquet of Bristol Chamber of Commerce, Grand Hotel, Bristol. Mr. David Howell, Secretary for Energy, at annual dinner of Institute of Petroleum, Grosvenor House, London.

THURSDAY—House of Commons debates EEC fisheries policy. UK banks' assets and liabilities and the money stock (mid-January). London dollar and sterling certificates of deposit (mid-January). Consumers' expenditure (fourth quarter—second preliminary estimate). Mr. John Moore, Parliamentary Under-Secretary for Energy, visits Welsh Centre for Alternative Technology, Machynlleth. Alcoholics Anonymous conference, Phoenix Theatre, Charing Cross Road, London.

FRIDAY—Balance of payments current account and overseas trade figures (January). Retail prices index (January). Tax and price index (January). Usable steel production (January). Finished steel consumption and stock changes (fourth quarter—provisional). Cyclical indicators for the UK economy (January). Experimental cut by British Airways in return fare on London-Washington Concorde. Young Conservatives annual conference, Futurist Theatre, Scarborough.

Hirst & Mallinson loses momentum in second half

PARTLY DUE to higher interest rates which resulted in a near doubling of interest payable for the year, pre-tax profits of Hirst and Mallinson declined to £295,000 for the 53 weeks to November 3, 1979, compared with £445,100 for the previous 12 months.

This represents a second half downturn from £320,100 to £134,600, for at mid-term an advance from £125,100 to £160,400 was reported. At that time the directors said that due to the strength of sterling, margins on export business were reducing and the outlook for UK business was not optimistic because of inflation and higher energy prices.

They now say that they are confident that positive results will be seen in the current year.

Stated earnings per 20p share are shown to have fallen from 11p to 5.2p. The final dividend is 1.3p net for a total payment of 2.6p (2p).

Turnover for the 53 weeks amounted to £18.65m (£15.62m). Profit was struck after finance charges of £211,200 (£116,200), tax took £50,500 (£8,200) and there were extraordinary costs of £226,800 (£72,800), which arose from the restructuring of textiles.

The directors state that while trading profits in distribution have increased, the increase was not sufficient to offset fully the substantial downturn in textiles, which now seem to be facing an increasingly difficult market situation worldwide.

Action taken to increase the investment of resources in those areas of the business where the directors saw profitable growth and, conversely, to reduce its involvement where they considered that such growth was not attainable has been designed to preserve the strength of the group's liquid position and ensure that it has a good base from which to take opportunities as they arise.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Greenbank Trust ...int.	4.2	March 28	3.6	4.2	3.6
Hirst and Mallinson	1.3	April 9	1	2.6	2
Watsham's ....int.	3.75	March 31	3.3	—	8.1

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

● comment

After a 28 per cent rise at the half-way stage, Hirst and Mallinsons' pre-tax profit has fallen by a third for the year as a whole and things may get worse before they improve. The main problem concerns the textile business, which last year accounted for around 40 per cent of group trading profits, a share which is now declining. Cheap imports, retail problems and harshly squeezed margins have all contributed to the sad state of the group's textile interests. Although there has been significant restructuring within the group, there may be still more textile rationalisation around the corner. Most of the £227,000 extraordinary item was related to this reorganisation programme. Turning to the pharmaceuticals side, the continuing price war in this field has inhibited performance as well. The only bright spot is the catering equipment distribution business. This has been picking up, but could be affected if the steel strike goes on too long.

At 30p, down 3p yesterday, the yield is 12.9 per cent after a 30 per cent rise in the net total and the p/e is 5.5 on published earnings.

Empire Carolina renegotiating Louis Marx assets purchase

BY ARNOLD KRANSDORFF

A possible hitch has arisen over the proposed sale of part of Dunbee-Combex-Marx's loss-making toy operations in the U.S.

Empire of Carolina, a quoted U.S. toymaker which was due to finalise details by the end of last month, said yesterday it was renegotiating the terms of its acquisition of some of the assets of Louis Marx and Co., including its Big Wheel operation which makes three-wheeled vehicles for children.

Under previously announced terms, Empire would have issued DCM with about 25 per cent of its equity and paid an unspecified amount of cash and royalties.

The Empire deal is part of a package designed to cut DCM's U.S. losses which have never been disclosed, but are estimated by market sources to approach about £10m to date.

DCM's other deal is with Leisure Dynamics, another quoted U.S. toy company. A letter of intent has been signed for a long-term agreement which provides for Leisure to take over the sale and distribution in the U.S. of DCM's Aurora product range, including the AFX road racing system and a new line of electric trains.

The Empire statement said it was continuing negotiations with respect to the possible acquisition but it could not predict what form a new plan might take or what the terms would be.

In London, a spokesman for DCM described the Empire move as "a negotiating ploy." He said the deal would make a logical acquisition for Empire "because they end up with a competitor out of the way."

He confirmed that the other contract with Leisure Dynamics "was still in the pipeline."

DCM's creditors in the U.S. have filed a petition under Chapter 11 of the federal Bankruptcy Act to preserve their rights and to compel the company to work out a plan to pay its debts.

According to Louis Marx, its liabilities totalled $110m on November 30, 1979 and assets were $98m. The company's main creditors are American Broadcasting Companies, H. S. Crocker Screen Products, Janys Designs, McCann Erickson Inc., Mobil Oil Corporation, Moe Zuckerman and Sons Inc., Western Technologies Inc., European American Bank, Texas Instruments Inc. and Chemical Bank.

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB. Telephone: 01-621 1917

1979-80 High	Low	Company	Price	Change	Gross Div (p)	Yield %	P/E
99	73	Airsprung Ord.	73	—	8.7	9.2	4.3†
50	38	Armitage and Rhodes	38	—	3.6	10.0	2.5†
230	185	Bardon Hill	230	—	13.8	6.0	8.7†
100	85	C'ty Cars 10.7% Pref.	86	—	15.3	17.8	—
101	83	Deborah Ord.	89	—	5.0	5.6	9.8
353	140	Deborah 17½% CULS	350	—	17.5	5.0	—
94	88	Frank Horsell	94	—	7.9	8.4	5.8
129	100	Frederick Parker	105	−1	12.8	12.2	8.1†
156	104	George Blair	104	−1	16.5	15.9	—†
62	45	Jackson Group	59	—	5.2	8.9	3.5†
153	113	James Burrough	113	−1	11.4	8.3	9.9
252	242	Robert Jenkins	247	+2	31.3	12.7	7.9†
232	175	Torday Limited	221	−1	14.3	6.5	8.8†
34	16½	Twinlock Ord.	21	—	0.8	4.0	4.0†
80	70	Twinlock 12% ULS	76	—	12.0	15.8	—
61	52	Unilock Holdings	51	—	2.6	5.1	10.8
80	56	Walter Alexander	81	—	4.4	5.4	5.4
190	138	W. S. Yeates	185	—	11.5	6.2	7.2

† Accounts prepared under provisions of SSAP 15.

BIDS AND DEALS

Imperial wins New York in liquor licence battle

BY ANDREW FISHER

Imperial Group has obtained liquor licence approvals from 36 U.S. states as part of its $630m (£274m) takeover of the Howard Johnson hotel and restaurant chain, and is selling off a small New York-based liquor operation to satisfy the authorities there.

This leaves four of the 40 states in which HoJo operates where licence approvals are still outstanding. The British tobacco, food and drinks company said yesterday that "substantial additional progress" had been made on the U.S. tied-house laws.

These are designed to prevent companies in other areas of the liquor industry from operating retail outlets. As well as Courage breweries in the UK, Imperial also own the Saccone and Speed liquor distribution company.

It is the small New York operation of Saccone and Speed that Imperial will have to give up as a result of the conditional licence approval granted by the state.

Mr. Lawrence Gedda, chief executive officer of the New York State Liquor Authority, confirmed last night that licence approval had been granted on this basis.

Imperial had said that it would comply with the authority's requirement, he added. "They have to remove the impediments."

New York is one of the key U.S. states where HoJo does a large slice of its business and Imperial executives have indicated that the takeover could not be completed without licence approval there.

At the end of last year, Imperial cleared an important obstacle with liquor licence approval in California.

David Lascelles adds in New York:

Howard Johnson shares moved irregularly in New York this week on reports that Imperial's takeover bid might be challenged by beer wholesalers in California. But they regained all their losses yesterday after the UK group announced that it had received clearance for the takeover from 36 of the necessary 40 states.

HoJo shares, which had been trading at around $24 a week ago, lost a couple of dollars in the early part of this week. But they recovered to $24 again by noon yesterday.

The shares are highly sensitive to news because arbitrageurs have taken up large positions. According to reports circulating in Wall Street, one of the main arbitrageurs sold early in the week. But others took advantage of the price drop to increase their holdings. Apart from continuing uncertainty about state liquor approval, a factor in the discount below the bid price of $28 is the absence as yet of any completion date for the takeover. The formal deadline is September 30 this year.

Ropner selling bulk carrier for £2m

Ropner Holdings, the Darlington-based shipping company, is to sell one of its largest bulk carriers, the 106,480 dwt m.v. Rudby.

Most of Ropner's fleet is employed on long term charter and in the case of the Rudby, the charterer has indicated his intention to exercise his option to terminate the charter and acquire the vessel.

Ropner expects to receive about £2m in cash on the transfer of ownership. The written down value of the Rudby at the end of March 1978 was £2.2m.

In addition to the basic hire Ropner participated, to a limited extent, in gains and losses derived from the trading experience of vessels entered into the charterer's consortium.

The bulk carrier market improved sharply during 1979 and this had a big impact on Ropner's profits which at the half-way stage were nearly a fifth higher. With the sale of the Rudby, Ropner's fleet will be reduced to five ships, four bulk carriers and one tanker.

Vectis placing 1m shares to help finance U.S. acquisition

Vectis Stone Group's $2m (£930,000) acquisition of 89 per cent of Columbia Products Company from Solid Investments of the U.S. will be financed partly by a loan from Lloyds Bank and partly by a share placing.

Vectis announced that it had made arrangements with Lloyds Bank to provide facilities of £1.25m until February 28, 1981, but the directors recommend that part of the cash consideration be provided by a placing of 1m shares with institutional investors. The price will be 28p per share which compares with a market price of 31p on February 1.

Vectis also plans to acquire the rest of the Columbia shares on the following basis: For 8,000 Columbia shares Vectis is offering 306,804 shares and £6,095 cash; and for the balance of 2,000 shares the offer is £23,000 cash or a maximum of 82,143 shares.

The company said that it did not consider a rights issue to be fully justified. This takes into account the small sum involved, the expense, and the likelihood that the directors and other substantial shareholders would not wish to extend their existing interests.

The three executive directors of Columbia—Mr. W. L. Prean, Mr. R. Halladey and Mr. D. Corke have agreed to accept new five-year service agreements with the company, but these do not include profit sharing arrangements which were a feature of the previous agreements.

In consideration for this variation of contract a total of £110,000 will be provided in Columbia's 1979 accounts, to be paid to the individual directors by way of special pension arrangements and compensation. Mr. Prean will receive £47,500, Mr. Halladay £35,000 and Mr. Corke £27,500.

Columbia is an Isle of Wight based maker of toiletries and toilet bags for sale throughout the UK under the Aronde and Holly Hobbie trade names.

The directors state that the company's immediate trading prospects are encouraging. The value of customer orders for spring deliveries placed at the annual trade show in November are some 10 per cent up on last year.

The directors feel that Columbia should continue to expand in its own field by extending product range and increasing its market share supported by the resources of Vectis. They feel that it should make a significant contribution to future profits and will also provide geographical and product diversification.

Reynolds Diversified

Reynolds Diversified Corporation, a U.S. oil exploration company, has issued a statement denying any knowledge of two price sensitive circulars purporting to have been issued by the company.

The Nevada based company said that it had no knowledge whatsoever of the content of these circulars and they "were certainly not authorised by any member of the company."

The company adds that in view of the recent interest in its shares in the London market it will keep the Stock Exchange fully informed of developments. The company's accounts will be forwarded as soon as they are received from the U.S. accountants.

ERF SITE PURCHASE

ERF has agreed terms to buy a 33-acre site in Wrexham for its new commercial vehicle plant. The project will boost ERF's capacity, currently 3,000 vehicles annually, by 50 per cent in 1981-82. It will employ some 400 people, and is partly financed by a £5m European Coal and Steel Community loan. The land is being sold by Wrexham Mealor Borough Council at an undisclosed price.

In yesterday's Management Page, it was incorrectly stated that Fodens has a 14.3 per cent market share for its heavy vehicles. The figure in fact refers to the market share of ERF.

MINING NEWS

RTZ Rhodesia makes a record profit

BY KENNETH MARSTON, MINING EDITOR

FOR THE first time since Rhodesia's Unilateral Declaration of Independence, Rio Tinto-Zinc reports the results of its Rio Tinto (Rhodesia) subsidiary. They read well with a record net profit for 1979 or Rh$5.02m (£3.29m) which compares with Rh$2.21m in 1978.

A final dividend is proposed of 13 cents (8.5p), making a total of 18 cents against only 8 cents for 1978. It is stated that earnings have been sufficient to pay this high dividend and still allow the retention of a sizeable portion of profits for the funding of new projects in the current year.

The advance in earnings reflects the rise in prices of gold and the continued improvement in results of the Empress Nickel subsidiary. Following its re-opening the Perseverance nickel mine made its first contribution to profits in the final quarter.

Empress Nickel, which earned Rh$3.23m against Rh$1.04m, has declared a further interim of 20 cents, making a total for the year of 40 cents against only 8 cents in 1978.

Before the imposition of sanctions RTZ held 99 per cent of Rio Tinto (Rhodesia) but as a result of capital changes by the latter it is not clear what the percentage holding is now and RTZ is currently sorting this out. At all events the Rhodesian company's results will not be included in those of the parent for 1979 which are due in April.

Teck sells 14% of Highmont

TECK CORPORATION has agreed to sell Metallgesellschaft Canada a 14 per cent interest in its new Highmont copper-molybdenum mine under construction in British Columbia for C$14.4m (£5.4m).

Teck said that Metallgesellschaft will acquire its interest on November 1 1980 and will assume its share of all completion and deficiency guarantees under existing bank financing.

Last October Teck obtained a C$161m loan from a banking group led by the Bank of Montreal to finance construction of the Highmont mine.

The agreement which is subject to receiving necessary tax rulings and other approvals, also provides that Metallgesellschaft can increase its interest to 20 per cent prior to the November 1 closing date by increasing its cash contribution and guarantees proportionately.

Results due next week

Analysts are expecting a profits rise at Dalgety from £12.2m to £16m or more, when interim figures are revealed next Thursday. The half-way results will include some two months from Spillers, worth about £2.5m to profits. In addition, the Australian interests are expected to have improved markedly and UK operations are also up. For the full year, £45m is forecast against £31.5m.

There seems little to be optimistic about with regard to the preliminary figures expected from Birmid Qualcast next Wednesday. This could prove to be the second year of halved profits for the group, with a drop from last year's £4.77m to around £2m anticipated. The dim state of the UK foundry business continues to be a problem, but the engineering strike was probably the coup de grace. Also short-term costs associated with the group's rationalisation programme could have helped turn earnings further. Analysts expect the dividend to be cut, possibly down to a 3p total from last year's 4.976p (after a maintained interim of 1.5p).

Next Thursday's preliminary announcement from Imperial Group is not expected to produce much excitement. In common with BAT's, the important tobacco interests are not showing any headway due to static demand while elsewhere, trading conditions are only marginally better. On the food side, profits will be depressed by reported losses from egg laying and broiler production. High interest rates and unfavourable currency movements will also have been depressing factors. Overall, analysts expect pre-tax profits of around £136m, against £131.1m last time.

Guinness Peat will break cover next Tuesday with its first set of interim profit figures. In the past, the company has given only a guide to trading conditions alongside its interim dividend statement. Without past figures to indicate distribution of earnings through the year, analysts are not offering an interim forecast. But for the full year to April 1980, they are looking for profits after tax and minorities, including banking, of between £8m and £9m. Last year's £6.5m was depressed by the hauliers' strike and poor trading conditions in West Africa.

Analysts are pessimistic for Alcan Aluminium UK's preliminary figures, due next Friday. Its debut as a UK quoted company in 1978 was accompanied by a fall in profits from £24.7m to £11.0m. The decline continued at the 1979 interim stage, with profits down from £5.1m to £3.6m, and there are no signs that the second half might have brought a recovery. Alcan has had more than its share of industrial troubles, and has endured severe competition from foreign producers. Analysts remain uncertain as to the 1979 out-turn, but suggestions are profits may be no more than £5m to £6m.

Next week's batch of results will also include preliminary figures from Donald Macpherson on Tuesday, Securicor on Wednesday and interim figures from Wedgwood on Friday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Alcan Aluminium (UK)	Friday	3.3	6.8	3.3
Anglo American Securities Corporation	Wednesday	1.0	2.3†	1.2
Arden and Cobden Hotels	Friday	—	3.46	—
Birmid Qualcast	Wednesday	1.5	3.476	1.5
Broadstone Investment Trust	Monday	1.55	4.15	2.0
Crescent Japan Investment Trust	Tuesday	—	1.3	—
Crest Nicholson	Tuesday	1.5	2.21671	1.5
Ford (Martin)	Tuesday	1.1	1.4446	1.3
General Consolidated Investment Tst.	Wednesday	1.3	2.95	2.0
Glasgow Stockholders Trust	Friday	1.0	1.85	1.6913†
Howard Machinery	Thursday	0.55	0.57	0.58
Imperial Group	Thursday	2.25	4.070	2.75
Ladies Pride Outerwear	Monday	0.79167	1.0075	1.4
Lancashire and London Investment Tst.	Thursday	—	2.0	—
Macpherson (Donald) Group	Tuesday	1.25	1.69264	1.5
Murray Western Investment Trust	Monday	0.46667	1.23333	0.5
River and Mercantile Trust	Thursday	3.5	6.0	4.0
River Plate and General Invest. Trust	Thursday	1.75	5.25	2.0
Securicor Group	Wednesday	0.4	0.8689	0.45
Security Services	Wednesday	0.75	1.3818	0.825
Tribune Investment Trust	Thursday	0.55	1.15	0.65
Wagon Finance Corporation	Friday	0.625	1.67813	0.625
Weber Holdings	Tuesday	1.75	9.0	2.0
Witter (Thomas)	Wednesday	0.67	2.84134	0.7
Yeoman Investment Trust	Wednesday	3.0	5.625	4.0
INTERIM DIVIDENDS				
Ariel Industries	Thursday	0.967‡	1.417	
Dalgety	Thursday	8.04	11.96	
Douglas (Robert M.) Holdings	Thursday	0.9685	3.2	
Elbief	Wednesday	0.385	0.918	
English Association of American Bond and Share Holders	Thursday	4.875	14.0	
Guildhall Property	Thursday	0.6	3.435	
Guinness Peat Group	Tuesday	2.25	4.0	
Helical Bar	Friday	—	1.0	
Malaysia Rubber	Thursday	0.75	2.5	
Meat Trade Suppliers	Tuesday	3.35	4.375	
Press Tools	Wednesday	0.725	1.525	
Reliance Knitwear Group	Tuesday	1.54	2.149	
Throgmorton Secured Growth Trust	Thursday	0.6125	1.6375	
Watshams	Wednesday	3.3	4.8	
Webb (Joseph)	Tuesday	0.11671	0.38293	
INTERIM FIGURES				
Haynes Publishing Group	Friday			
Jackson (William) and Son	Tuesday			
Murray Caledonian Investment Trust	Monday			
Ramar Textiles	Thursday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Includes non-recurring dividend of 0.4413p. ‡ Includes compensating dividend of 0.032p due to change in tax rate. ¶ Second interim.

Watsham's improves in first six months

FOR THE first half-year ended September 30, 1979, pre-tax profits of Watsham's improved from £291,000 to £341,000 on higher turnover of £1.88m compared with £1.25m.

Stated earnings per share are 8p against 7p and the interim dividend is lifted from 3.3p to 3.75p per share. The total in 1978-79 was doubled to 8.1p on record pre-tax profits of £701,543.

In his interim report, Mr. W. G. Haydon-Baillie, chairman, says that the group was approaching the end of a long period of consolidation, the aims of which were the re-orientation of the group into new growth areas.

Added to this was the reorganisation into divisional units directed to the analysed requirements of their markets on a five to 10 year-view and the freeing of the group to start a new phase of expansion integrated with the existing divisions.

This has led to Dallmeyer Optics, in advanced optical products, and Cook and Perkins, in the advanced instrumentation and control field, becoming a co-ordinated force in specialist products for the world-wide markets in the defence, security, nuclear, reprographic, medical equipment and industrial process control fields.

The division in industrial safety and occupational health is developing its twin aims of achieving national coverage and broadening its specialisation over the maximum range of products, the chairman adds.

Activities in the telecommunication equipment field, an historical rather than chosen growth area of the group, were as forecast to be completely reappraised. This product area, in the less specialised end of the market, is being phased out completely and is only making a small contribution to the year's results.

New expansion planned will embrace activities compatible with current areas of commitment and will replace those phased out.

The chairman says it is increasingly evident that, in the current conditions, the policy of making priorities the maintenance of a strong capital base and high level of liquidity available for investment, combined with a commitment to pursue only the growth areas of the future, "is the one we should continue in the best interests of all those involved with us."

	Half-year 1979 £	1978 £
Turnover	1,877,127	1,250,458
Profit before tax	341,000	291,000
Tax	128,000	116,000
Net profit	213,000	175,000
Minority interest	27,000	21,000
Attributable	186,000	154,000
Interim dividend	87,500	77,000

Delson shares suspended pending announcement

The shares of Delson, the Birmingham-based nut and bolt manufacturer, were temporarily suspended yesterday at 31p.

A statement said that the listing was suspended at the company's request pending an announcement.

Reflecting a second half recovery the group recently announced profits up from £102,225 to £142,741 for the year ended July 31, 1979. But in the current year the group was hit by the engineers' strike and the chairman said he was doubtful if the lost ground could be recovered by the year end.

Barclays National increase

SOUTH AFRICA'S largest bank, Barclay's National has reported a net taxed profit advance to R62.6m, for the 15 months to December 31, 1979. On an annualised basis this is equivalent to a 36.1 per cent improvement on the R36.8m earned in the year to September 30, 1978.

Consolidated pre-tax profit advanced to R96.9m from R60.2m in the 1977-78 year.

Mr. R. Aldworth, managing director says commercial bank lending remained highly competitive. Corporate borrowers funding large capital projects are tending to provide front-end financing themselves and then draw down bank loans over the relatively protracted period.

Thus, the growing capital spending boom in South Africa is not having an immediate impact on banking profits.

Barclays Bank International which has a 50.4 per cent stake in the South African operation, is required to reduce its interest to 50 per cent by July 31, 1986.

SPAIN

February 8	Price %	+ or −
Banco Bilbao	215	
Banco Central	232	+6
Banco Exterior	211	
Banco Hispano	211	
Banco Ind. Cat.	135	
Banco Madrid	170	
Banco Santander	245	+5
Banco Urquijo	163	+3
Banco Vizcaya	226	+4
Banco Zaragoza	200	
Dragados	103	
Espanola Zinc	62	
Fecsa	57.5	+1.3
Gal. Preciados	35	−0.5
Hidrola	63	
Iberduero	60	−0.2
Petroleos	117	
Petroliber	72	
Sogefisa	115	
Telefonica	54	−1
Union Elect.	64	+1

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN C	F.310	7	6	—	—	—	—	F.299
ABN C	F.320	8	3	—	—	—	—	"
AKZ C	F.22.50	100	3.80	5	4.20	90	4.60	F.26.10
AKZ C	F.25	60	1.70	43	2.40	40	2.70	"
AKZ C	F.27.50	42	0.80	22	1	—	—	"
AKZ C	F.30	140	0.30	4	0.60	—	—	"
AKZ P	F.25	7	0.70	5	1.20	—	—	"
AKZ P	F.27.50	48	2.20	12	2.80	—	—	"
ARB C	F.65	2	1.20	—	—	—	—	F.63.51
HEI C	F.75	—	—	20	3.80	6	4.90	F.71
HO C	F.22.50	145	1.70	—	—	42	3.40	F.23.30
IBM C	$65	25	5½	5	7½	—	—	$57⅛
IBM C	$70	—	—	15	5	—	—	"
IBM C	$75	25	1¼	—	—	—	—	"
KLM C	F.60	1	15.50	—	—	—	—	F.76
KLM C	F.70	30	8	1	10	—	—	"
KLM C	F.80	109	2.80	14	4.20	—	—	"
KLM C	F.90	34	0.60	5	1.40	—	—	"
KLM P	F.60	125	0.90	—	—	2	3.80	"
KLM P	F.70	19	2.70	5	4.70	—	—	"
KLM P	F.80	6	6.80	51	8	—	—	"
NN C	F.120	1	2.80	—	—	—	—	F.117.50
NN C	F.125	11	1.10	—	—	—	—	"
PET C	Fr.5500	20	750	1	760	—	—	Fr.6110
PET C	Fr.6000	48	450	1	550	—	—	"
PET P	Fr.6000	10	100	—	—	—	—	"
PHI C	F.20	15	1.40	—	—	28	2.10	F.20.50
PHI C	F.22.50	10	0.40	51	0.60	38	1	"
PHI C	F.25	—	—	50	0.30	—	—	"
PHI P	F.20	35	0.40	—	—	—	—	"
PHI P	F.22.50	—	—	10	2.30	—	—	"
RD C	F.140	14	25.80	2	25.50	—	—	F.165.70
RD C	F.145	42	21.80	—	—	20	22.50	"
RD C	F.150	440	18.20	118	19.20	72	18	"
RD C	F.160	1194	10	356	10.80	64	12	"
RD P	F.140	95	0.20	—	—	—	—	"
RD P	F.145	10	0.50	1	2.10	15	3	"
RD P	F.150	702	1	2	3	—	—	"
RD P	F.160	324	3.10	49	6.10	—	—	"
UNI C	F.115	51	6.50	—	—	—	—	F.116.80
UNI C	F.120	223	2.80	—	—	—	—	"
UNI C	F.125	2	0.90	—	—	—	—	"
XON C	$60	8	6	—	—	—	—	$64⅛
		Feb.		May		Aug.		
BA C	$50	1	17½	—	—	—	—	$66½
OXY C	$30	20	1⅜	11	4⅛	10	5⅛	$30⅜
SLB C	$90	—	—	4	23¼	—	—	$112⅝
SLB C	$100	3	12½	28	15½	—	—	"
SLB C	$110	—	—	68	8½	5	10¾	"
		March		June		Sept.		
GM C	$50	—	—	—	—	3	6¾	$54⅛

TOTAL VOLUME IN CONTRACTS 5619

C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	17 %	■ Guinness Mahon	17 %
Allied Irish Bank	17 %	■ Hambros Bank	17 %
Amro Bank	17 %	■ Hill Samuel	§17 %
American Express Bk.	17 %	C. Hoare & Co.	†17 %
Henry Ansbacher	17 %	Hongkong & Shanghai	17 %
A P Bank Ltd.	17 %	Industrial Bk. of Scot.	17½%
■ Arbuthnot Latham	17 %	Keyser Ullmann	17 %
Associates Cap. Corp.	17 %	Knowsley & Co. Ltd.	18½%
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	Edward Manson & Co.	18 %
Bank of Cyprus	17 %	Midland Bank	17 %
Bank of N.S.W.	17 %	■ Samuel Montagu	17 %
Banque Belge Ltd.	17 %	■ Morgan Grenfell	17 %
Banque du Rhone et de la Tamise S.A.	17½%	National Westminster	17 %
Barclays Bank	17 %	Norwich General Trust	17 %
Bremar Holdings Ltd.	18 %	P. S. Refson & Co.	17 %
Brit. Bank of Mid. East	17 %	Rossminster	17 %
■ Brown Shipley	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Canada Perm't Trust	17 %	Schlesinger Limited	17 %
Cayzer Ltd.	17 %	E. S. Schwab	17 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	18 %
■ Charterhouse Japhet	17 %	Standard Chartered	17 %
Choulartons	17 %	Trade Dev. Bank	17 %
C. E. Coates	17 %	Trustee Savings Bank	17 %
Consolidated Credits	17 %	Twentieth Century Bk.	17 %
Co-operative Bank	*17 %	United Bank of Kuwait	17 %
Corinthian Secs.	17 %	Whiteaway Laidlaw	17½%
The Cyprus Popular Bk.	17 %	Williams & Glyn's	17 %
Duncan Lawrie	17 %	Wintrust Secs. Ltd.	17 %
Eagil Trust	17 %	Yorkshire Bank	17 %
E. T. Trust Limited	17 %		
First Nat. Fin. Corp.	18½%		
First Nat. Secs. Ltd.	18 %		
Robert Fraser	18 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%, 1-month deposits 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

The bid battle surrounding Decca hotted up considerably last week with both suitors announcing higher bids for the company. Racal's first shot, launched some three weeks ago, valued Decca at £64.6m and seemed set to go through, but the arrival on the scene of GEC, which pitched in with an offer of £82.5m for the group, altered the complexion of the situation. Racal came back on Thursday with a share exchange offer which, with Racal shares at 216p, valued the Decca equity at £83.4m, but GEC followed by bidding £91.9m cash in the form of 550p per Decca ordinary and 480p per "A" share; GEC's latest bid is backed by an offer in GEC Convertible Loan stock, valuing the shares at 585p and 480p respectively.

Elsewhere in the Bids and Deals sector, dealings in the shares of Henry Norrington, the agricultural engineer, were suspended on Monday at 16p following approaches to the company which may lead to an offer.

On the internatoinal scene, Glaxo Australia, a subsidiary of Glaxo, is making a $160 per share cash offer for pharmaceutical concern F. H. Faulding, valuing the latter at A$15m (£7.27m).

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Armitage Shanks	101	101	55	31.82	Blue Circle	21/2
Bowring (C. T.)	162	134	141	177.3	Marsh and McLennan	—
Dawnay Day	60*	59	47	16.6	Hume Hldgs.	—
Prices in pence unless otherwise indicated.						
Decca	550*§	580	550	36.89	GEC	—
Decca 'A'	450*	440	425	52.12	GEC	—
Decca	559§	580	355	38.00	Racal Electronics	—
Decca 'A'	452§	440	320	45.01	Racal Electronics	—
Doloi Tea	270*	280	215	0.29	Tategold	—
EMI¶¶	145	123	95	161.18	Thorn Elect.	—
Empire Plants.	24*	23½	19½	0.80	Caparo Invs.	—
FPA Const.¶¶	15½	15	18	1.23	Heywood Williams	—
Nationwide Leisure	6*§	5½	9	0.66	Rantlodge	—
Royco	50*	48	41	5.00	Bonnerpark	—
Scottish Homes	48*	44	43	3.36	Barratt Dev.	—
Shakespeare (J.)	30§§	26	15½	2.32	Wheway Watson	—
Sunley (B.)	630*	625	615	67.31	Eagle Star	—
Wardle (B.)	33*§	34	28½	4.15	Birmid & Mid. Counties Tst.	—
West of England Trust	92	95	76††	14.4	Globe Invest. Trust	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. || Date on which scheme is expected to become operative. ** Based on 8/2/80. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Aaronson Bros.	Sept.	4,010	(3,468)	11.3	(11.9)	4.2	(3.5)
Assoc. Fisheries	Sept.	2,190	(2,375)L	7.7	(—)	1.0	(—)
Beaumont Props.	Sept.	1,270	(1,120)	5.3	(4.5)	4.5	(3.87)
Lonrho	Sept.	84,000	(93,640)	19.7	(24.3)	7.32	(6.65)
Plastic Const.	Sept	414	(452)	4.1	(4.6)	2.67	(2.32)
Scot. Agriculture	Dec.	5,713	(4,118)	36.9	(35.6)	14.8	(12.5)
Wstmnstr. Props.	Sept.	125	(27)L	0.8	(—)	—	(—)
Williamson Tea	June†	3,400†	(7,640)	28.8	(75.5)	12.5‡	(12.5)

Scrip Issues

Reo Stakis: One for two.

Offers for sale, placings and Introductions

Berkeley Exploration and Production: Offer for sale of 3m ordinary £1 shares with initial price of 50p with a further call of 50p later.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Benn Brothers	Dec.	488	(370)	1.1	(0.9)
Carrington Inv.	Sept.	30	(48)	—	(—)
Crouch Group	Sept.	356	(289)	1.08	(1.0)
Dowty Group	Sept.	17,390	(14,120)	2.0	(1.25)
Hillards	Nov.	1,340	(1,180)	1.25	(1.0)
ML Holdings	Sept.	374	(303)	2.0	(2.0)
Mining Supplies	Oct.	551	(1,220)	—	(—)
Mountleigh Grp.	Oct.	235	(160)	—	(—)
Ransom (Wm.)	Sept.	230	(258)	1.43	(1.3)
Singlo Holdings	Sept.	565	(95)	0.52¶	(0.5)
Smith Brothers	Nov.	522L	(223)	—	(1.5)
Steinberg Group	Sept.	194	(260)	0.32	(0.32)
UDT	Dec.	7,900	(8,500)	—	(—)
Unitech	Dec.	1,990	(1,410)	2.1	(1.67)
Vibroplant Hldgs.	Sept.	2,100	(1,600)	5.23	(4.42)
Whitworth Elec.	Sept.	169	(164)	—	(—)

(Figures in parentheses are for corresponding period.)

Dividends shown net except where otherwise stated.

* Adjusted for any intervening scrip issue. † 18 months to June 1979. ‡ For 18 months. ¶ Already been paid. L Loss.

RENEWED OPTIMISM OVER MICROELECTRONIC CAPABILITY

Plessey's solid-state push

BY GUY DE JONQUIERES

UNLESS Britain keeps right up-to-date on silicon technology, it will be finished as an industrial nation. The technology of solid-state physics is the spearhead of progress . . . said Sir John Clark, Plessey's chairman, in the company's 1978-79 report and accounts.

Such a resounding expression of commitment sounds, to say the least, ironic from the chairman of a company which until recently had unconcealed doubts about its own ability to remain a significant force in making and marketing solid-state components.

Plessey has, indeed, spent much time and energy over the past three years trying to interest other organisations in sharing—or taking over completely—the burden of its micro-electronic activities.

At various times, it held talks with Ferranti, GEC, General Instrument of the U.S., the National Enterprise Board and the Department of Industry.

None of these discussions bore fruit. But as late as last June Sir John, apparently undeterred, was still saying publicly that he was looking for a partner. Unless he found one, Plessey might be unable to continue manufacturing integrated circuits for the open market.

Last week, however, in an abrupt change of tack, the company announced that it was reorganising its micro-electronics operations into a new solid-state division to be headed by Dr. Melvyn Larkin, former chairman of Motorola (UK).

It said that the move, bringing together Plessey Semiconductors and Plessey Opto-electronics and Microwave, meant that "we are here to stay and grow."

It also announced that it was linking up with Andersen Laboratories of Bloomfield, Connecticut, in the research, development and manufacture of advanced signal processing devices for defence and telecommunication applications.

Sir John Clark

Dr. Melvyn Larkin

The two companies have set up a joint subsidiary, Signal Technology, which will draw on their combined expertise in surface acoustic wave (SAW) filters.

Behind these moves, apparently, lies a growing optimism among Plessey management that the company has turned the corner after a period of financial difficulty, and is strong enough to consider making the big investments needed to acquire and keep a lead in advanced micro-electronic technology.

Plessey has an excellent record in the research and development of solid-state devices for specialised applications.

But in the past it has been forced either to delay or to drop several promising projects at a relatively late stage of development, because it felt that it could not afford the heavy costs of manufacturing and marketing them.

One such victim was a venture into bubble memories—a technology for high-density data storage which could one day replace disc systems as the main form of back-up memory for computers.

At one point, Plessey was believed to be ahead of its main competitors, but the lead was lost in delays and the project was effectively shelved.

Dr. Larkin, who moved to Plessey last June, seems satisfied that the new solid-state division will get the support it needs. Without mentioning any sums, he says he has received a commitment to future expansion, provided he can demonstrate to the Board that it will yield a satisfactory rate of return.

He believes that the market for semi-conductor products in which Plessey has expertise has grown to the point where the company can be assured of the production volume required to justify such an investment. "Two to three years ago, Plessey was below that threshold. Now it is above it."

Dr. Larkin expects the solid-state division to develop its products with an eye to the needs of other branches of Plessey, although these will be under no ibligation to purchase in-house.

At the same time, he plans to pursue an aggressive policy of sales to the open market which, he forecasts, will absorb roughly three-quarters of the division's production.

He is convinced, however, that Plessey should not attempt large-volume production of general-purpose integrated circuits of the kind undertaken by companies like Texas Instruments, Intel and Motorola.

Instead, he believes that the future lies in supplying package systems which meet specialised requirements, particularly in the defence and communications fields.

Here Plessey's expertise in designing interfaces — which permit different circuits and devices to be connected together — will be an important asset. It is already being used in the development of microwave integrated circuits and microwave transmission using optical fibre.

This means converting electrical signals into light signals, which are then carried along a thin transparent strand and turned back into electrical signals at their destination.

The solid-state division is also working on advanced infra-red emitters and ultra-rapid microcircuits employing gallium arsenide technology. In addition, it will act as Plessey's main link with the work which Signal Technology will be doing on SAW filters.

As a former employee of an important U.S. semi-conductor company, Dr. Larkin is in a good position to assess the relative strengths of the industry on both sides of the Atlantic.

His prognosis for Plessey is positive: "I believe that if the conditions are right the UK can attain the same levels of productivity and competitiveness as the U.S."

APPOINTMENTS

Material Recovery chairman

Mr. Peter Cook

Mr. Peter M. K. Cook has been appointed chairman of MATERIAL RECOVERY, the company set up by Metal Box, the British Steel Corporation and Batchelor Robinson to recycle tin cans from domestic refuse. He is chief executive, detinning operations of Batchelor Robinson. Mr. David B. M. Cook has joined the Board of Material Recovery as a director nominated by Batchelor Robinson. He is projects director of Batchelor Robinson Metals and Chemicals.

★

Mr. Dermot J. Gleeson has been appointed by the MIDLAND BANK GROUP as representative to head its new EEC office in Brussels. Mr. Tom Normanton, Conservative MP for Cheadle and member of the European Parliament for Cheshire East, has been made a consultant at the new office of the Midland Bank Group.

★

LLOYDS BANK has appointed three new chief managers in its overseas division. They are Mr. G. P. Higham, Mr. J. W. Bullock (operations) and Mr. R. C. Frost (foreign exchange).

★

Mr. Eric Hannam has been appointed a director of LEOPOLD JOSEPH AND SONS.

★

Mr. Michael Tapper has been appointed group shipping manager to the BARCLAYS GROUP OF BANKS, succeeding Mr. Peter Cox, who has retired.

★

Mr. J. F. McLelland is to be chairman of BROWNLEE AND COMPANY from March 1 and Mr. A. M. Nicol will become deputy chairman and managing director. Mr. P. A. Barns-Graham is to resign as chairman at the end of this month but will remain on the Board as a non-executive director.

★

Mr. George Porritt, managing director of Allen-Bradley International, has been appointed a non-executive director of VICTOR PRODUCTS (WALLSEND).

★

Mr. Raymond L. Entwistle has been appointed to the Board of LEIGH AND SILLAVAN GROUP and continues as managing director of its subsidiary, Colin Stewart Minerals.

★

Mr. Roderick McLeod, senior managing director of the Ben Line Steamers, is to be a part-time member of the BRITISH RAILWAYS BOARD from June 3. He will succeed Lord Taylor of Gryfe as representative of Scottish interests on the Board. Mr. Peter Scott, a director of Sir Robert McAlpine and Sons, has been made a part-time member of the Board of the NATIONAL FREIGHT CORPORATION.

★

Mr. G. Ll. Law has been appointed a director, Mr. W. H. Proby, a director and chief executive, and Mr. R. G. Bowen, an assistant director, of MWP INCENTIVES. Mr. A. S. Minns relinquishes his position as chief executive and returns to Morgan Grenfell and Co. as a senior assistant director.

Bowater group executive

Mr. Malcolm J. Macpherson, has been appointed managing director of BOWATER DRUMS. Mr. Macpherson has been with the Bowater Organisation some ten years. After six years with Bowater Containers he spent three years in the Middle East with Bowater Export and returned to the UK last year to take up the post of director of finance for Bowater Industrial Packaging.

★

Mr. Alan Watson has been appointed chief executive and managing director of CHARLES BARKER CITY. Mr. Christopher Greening is now vice-chairman and creative director and Mr. Don Kennedy and Mr. Alan Bayley assistant managing directors.

★

Mr. Frank Ledger has been appointed to the new post of director of computing to the CENTRAL ELECTRICITY GENERATING BOARD.

★

Mr. John Flood, deputy general secretary of the Union of Shop Distributive and Allied Workers, has been appointed a member of the POTATO MARKETING BOARD for three years.

★

Mr. Bernard J. Kingham has been appointed managing director of the CLASSIC CINEMAS, a member company of Associated Communications Corporation.

★

Mr. David Brown, group manager Scotland for Save and Prosper Group, has been appointed a director of SCOTBITS SECURITIES, its Scottish Unit Trust Management subsidiary. He remains responsible for the group's investment administration which has recently been computerised on a new system designed in Edinburgh.

★

Mr. B. E. Burns, a main board director of MATTHEW HALL AND CO has resigned his directorships with the group to set up in business as a consulting engineer. He will continue to act for Matthew Hall at least until June of this year, which would have been his normal retirement date.

★

GRAY MACKENZIE AND CO. has made the following Board changes from April 1: Mr. J. M. Sim, to be non-executive deputy chairman; Sir Rae McKaig, will be executive deputy chairman and chief executive; and Mr. J. A. W. Bolt is to be managing director in succession to Mr. W. D. D. Orde. Mr. A. A. Mackaskill, at present director Bahrain, will have the additional post of chief executive Gulf. Mr. Orde will be relinquishing his executive responsibilities as managing director, but will remain on the Board until October 31.

★

SCOTTISH PROVIDENT INSTITUTION states that the head office structure has been reorganised into five divisions. Each under the control of the deputy general manager or one of the assistant general managers. Mr. J. M. Maclaren has been appointed deputy general manager and actuary. Mr. G. M. Dobbin has been manager (investment), Mr. P. W. Ballough assistant general manager (marketing), Mr. W. A. B. Scott, assistant general manager and secretary and Mr. H. W. Gillon, assistant general manager and pensions manager. Mr. K. W. B. Inglis has been appointed investment manager, Mr. J. E. Paterson joint investment secretary, Mr. J. H. R. Thom and Mr. D. G. Robinson senior assistant actuaries, Mr. C. A. D. Smith and Mr. D. J. Moore joint pensions secretaries.

★

Mr. Eugenio Greppi has succeeded Mr. Henri Lenaert as secretary-general of the EUROPEAN INVESTMENT BANK. Mr. Lenaert who has reached retirement age, will remain with the bank as a special adviser to the management committee.

★

SUN ALLIANCE INSURANCE GROUP has appointed Mr. F. B. Nicholls as assistant general manager, finance division. Mr. G. E. Browne chief investment manager, and Mr. I. M. Trotter, investment manager.

★

Mr. Michael Delahooke has been appointed commercial director of WATNEY MANN AND TRUMAN BREWERS. For the past three years Mr. Delahooke has been managing director of Watney Mann National Sales and Mr. Peter Coleman, sales director of that company, becomes its acting managing director pending appointment of a new managing director.

★

Mills and Allen International has established a Group Executive Board by reconstituting MILLS AND ALLEN GROUP which, until the reconstruction in 1977, was the quoted holding company. The Board of MAG companies Mr. C. R. Hollick (chairman), Mr. C. J. Daniels, Mr. P. R. Carter, Mr. C. H. Gregson and Mr. J. P. Watts. Mr. J. A. Glover is secretary.

★

Mr. Roy W. Crabbe has joined ANDERSON AND CO., stockbrokers.

★

Mr. Nick Pope, director and general manager of Nutrikem, has joined FARM FEED FORMULATORS as deputy managing director.

★

Mr. G. C. Zielinski, has been appointed financial director of BISON GROUP. For the past five years he has been with Pioneer Concrete (Holdings), where he was group financial controller and company secretary.

★

Mr. John A. Brewer has been appointed a director of ILFORD, a part of CIBA-GEIGY.

★

Mr. William Mercer, has been appointed the financial director of PERSHKE PRICE SERVICE ORGANISATION.

★

Mr. W. Mervyn Roberts has been appointed managing director of the INTERLAS GROUP and continues as managing director of Interlas Welding Products in the UK.

★

Mr. Roy Beatt is to become director of production in the South Western Region of the CENTRAL ELECTRICITY GENERATING BOARD on March 1 to succeed Mr. Derrick Harrison, who has joined the Electricity Council as industrial relations adviser.

★

Mr. Laurie Keys has become managing director of MANLEY RATCLIFFE and Mr. Bruce Thomas has been appointed commercial director.

★

Mr. T. E. Barnsley has been appointed a non-executive director of HP BULMER HOLDINGS. He is a group managing director of Tube Investments. Mr. Esmond Bulmer, Conservative MP for Kidderminster, and director of long range planning of HP Bulmer Holdings, has become deputy chairman of that company.

Extra plans prolong lakes probe

THE CONTROVERSIAL Two Lakes inquiry in Whitehaven looks like becoming one of the longest inquiries in English history.

Mr. Dennis Komlosy, the Department of the Environment Inspector, announced yesterday that the proceedings will continue into May.

The inquiry, which began on January 15, is looking into two much-opposed schemes to raise the levels of Ennerdale and Wastwater in the Lake District.

The North West Water Authority wants more water from industrial West Cumbria and proposes to take it from Ennerdale. British Nuclear Fuels has a similar plan for Wastwater to meet its requirement at Windscale nuclear plant.

The expected finishing date would now be early May, and a further week would be taken up with visits to the sites involved.

Britain's longest public inquiry, lasting 100 days, was into expansion plans at Windscale.

Higher tax charges urged for foreign-made company cars

BY JOHN GRIFFITHS

HIGHER TAX charges on company car benefits should be introduced immediately on foreign cars, but phased in over three or four years on British vehicles, Mr. Tony Christopher, general secretary of the Inland Revenue Staff Association, argues in this month's Inland Revenue staff journal.

A Government consultative document issued after last year's Budget suggested that the taxable benefit assessment for a "typical" 1800 cc company car also used privately would rise from £295 to £650. But Mr. Christopher estimates that the true value of a company car to it driver ranges from as low as £1,200 a year to £4,200 on a car costing £10,000.

He calls such subsidies "monstrously unfair" to the majority of taxpayers, and argues: "Increasingly this subsidy is going not to British manufacturers, but overseas."

"We are crazy to subsidise Mercedes and BMW while Jaguars and Rovers stand in showrooms."

Apart from raising the level of benefit under which employees using company cars privately are assessed, the consultative document suggested abolishing the £8,500 annual earnings threshold, beneath which tax is not paid.

While agreeing there should be a movement towards taxing benefits at a "realistic" level, organisations such as the Confederation of British Industry and Engineering Employers' Federation have urged that cars should not be singled out for attack. Any changes should be phased in gradually to allow time for both employees and the car industry to adjust—70 per cent of car purchases are made by companies.

BA to run vans on gas

BRITISH AIRWAYS is to convert several hundred of its light commercial vehicles to run on propane gas—which is half the cost of petrol.

Mr. Richard Hatfield, BA's transport chief, said yesterday the conversions would cost up to £300 per vehicle. "But the long-term savings in fuel bills could be quite extensive."

British Cargo Airlines loses £805,000

By Michael Donne, Aerospace Correspondent

BRITISH Cargo Airlines, formed last year by the merger of IAS Cargo Airlines and Transmeridian Air Cargo, incurred a loss of £805,000 in the first six months of the financial year, from April to September. A profit is not expected in the current six months.

The airline said yesterday that trading conditions had become difficult, with increased competition, especially from scheduled passenger airlines which carry substantial cargo in the holds of their wide-bodied jets.

CORAL INDEX: Close 458-463 (unchanged)

Elderly need extra cash for food, says survey

BY ROBIN PAULEY

CLOTHING, FOOD and heating are the main needs for elderly people who feel unable to make ends meet according to a survey published by Age Concern.

The survey found that 57 per cent of people over 75 regarded their economic situation as satisfactory. Of the 43 per cent who were "unable to live in reasonable comfort without money worries," three-quarters named heating, food or clothing as the main problem.

The majority—67 per cent felt their chances of getting the money in the next year or two (at the time of the initial survey in 1977) was nil and a further 12 per cent rate them as slight. The most optimistic 2 per cent thought the chances were fair...

When the question was put differently to identify items which had been wanted in the past year but had been done without because of lack of money the same three categories appeared with a fourth—a holiday—accounting for a deprivation felt by 16 per cent.

On the other hand, only 7 per cent of all those questioned felt unable to make ends meet. For nearly 90 per cent a state pension was the main source of income. But 86 per cent had a secondary source of income, mainly interest and dividend from investment (30 per cent)

Only 60 per cent felt the present source of income gave them security for the future. Those lacking this confidence were most frequently those living with a spouse or children

Beyond Three Score and Ten, Age Concern, £2.50.

BOOKS

Success of Sickert

BY PETER QUENNELL

The Camden Town Group
by Wendy Baron. Scolar Press, £35.00, 405 pages

In 1906 Walter Sickert, then a bold middle-aged adventurer, decided he would leave Dieppe, where, for the last seven years, besides the architecture of the port, he had been painting brass bedsteads, with his mistress Madame Villain, queen of the local fish-market, negligently disposed across the sheets. William Rothenstein's friendship recalled him, and the charm of London townscapes. But the part of London he intended to depict was not the romantic river-bank that Whistler loved. His old master's taste, he now considered, was far too poetic and refined: and taste, he declared, was

"the death of a painter. He has all his work cut out for him, observing and recording. His poetry is the interpretation of ready-made life."

And later:

"the more our art is serious, the more it will tend to avoid the drawing-room and stick to the kitchen. The plastic arts are gross arts, dealing joyously with gross material facts . . ."

Thus he shunned Chelsea, Belgravia and Mayfair, and concentrated his attention on the shabby districts that lie north of Fitzroy Square. Himself he appreciated squalid surroundings; he preferred to work, Rothenstein noted, in "the dreariest and most forbidding rooms"; and, transferred from Dieppe, his brass bedsteads were immediately set up again in Camden Town. There he associated them with the horrid story of the Camden Town Murder, or with some domestic problem of his own invention, and labelled the resultant picture "What shall we do for the Rent?"

Sickert also determined, if not to found a school, to establish a creative coterie, through whose exhibitions "work of a modern character" would reach the educated British public. The Fitzroy Group, launched in 1907, was followed in 1911 by the Camden Town Group, for which Sickert provided the name, "averring that that district had been so watered with his tears that something important must sooner or later spring from its soil." All his original associates were to some extent under Sickert's masterly influence: but, as the groups developed, a number of artists joined them—Augustus John, Wyndham Lewis and Sickert's bête noire, Jacob Epstein—who largely disregarded it and chose to take a separate road.

For Sickert "the main significance" of these two associations "was that they served to channel his enormous energies towards a worthwhile cause and satisfied his real pyschological need to teach and direct his juniors"; and when, in 1914, he abandoned his third and last co-operative, the London Group, he felt he must give up the struggle.

Dr. Wendy Baron's finely illustrated monograph covers the whole field of Sickert's disinterested projects between 1906 and the outbreak of the World War; and, although perhaps it may be a little too voluminous and, no doubt, somewhat too costly to suit the average General Reader—it contains just over 400 pages and, as well as an introductory essay, maps of the Camden Town neighbourhood, a series of biographical notes, a catalogue of plates and a "check-list of oils in public collections"—it is an impressive piece of scholarship. She manages to persuade us, despite the complexity of her subject-matter and the striking diversity of Sickert's associates, that there was indeed a Camden Town movement, which held perfectly definite ideas.

They were "Intimistes," like Vuillard and Bonnard, the French artists they particularly admired, and believed that, to excel, a picture need not be spacious or ambitious, but, on a small and quiet scale, should give "an objective record of aspects of urban life in a basically Impressionist-derived handling . . ." The best exponents of the theory, apart from Sickert himself, were Harold Gilman, Spencer Gore, Lucien Pissarro (offspring of the famous Camille), Charles Ginner, Walter Bayes and James Manson; and their impressions of the London they knew, streets and gardens, bedrooms, back-yards, suburbs, railway stations, are often evocative and moving.


"Sally"—an etching by Sickert

Among the least familiar is Maxwell Lightfoot, author of the beautiful and mysterious "Boy with a Hoop," a portrait of his landlord's son Frank, reproduced on page 263. One wishes that one knew more of him. He committed suicide at the age of 25, and seems to have left behind him few memorials only a rather depressing "Mother and Child" and that single haunting canvas. But Dr. Baron has interviewed Frank's daughter, who still lives at the same house, and who remembers how, after Lightfoot's tragic death, "That's Mr. Lightfoot," her family would exclaim if they heard a distant noise above stairs.

Shelley's guru

BY C. P. SNOW

A Fantasy of Reason: The Life and Thought of William Godwin
by Don Locke. Routledge and Kegan Paul, £13.50, 398 pages

To the radical young of the 1790s, William Godwin, getting on for 40, was the great intellectual guru, a kind of Marcuse, Illych, Sartre, rolled into one, and more famous in his own society than any of them in our day.

"Nothing is so easily proved," he wrote, "as that the human mind is pure and spotless, as it came from the hands of God, and that the vices of which you complain have their real source in those shallow and contemptible precautions that you pretend to employ against them."

Human beings were perfectible. Easily so, once you accepted the gospel that institutions did all the evil. Change the environment, abolish the institutions, and all would be well.

Does that remind us of modern gospels, of counter-cultures, adversary cultures, all the prescriptions for today's Utopias? It ought to, for those benign dreams go on recurring. Godwin would have been a hero in the California of the 1960s. In his own time, *Political Justice* was read by optimistic intellectuals as revealed truth. He was a very good writer, in a language of admirable confidence and clarity. (Later, when he qualified his opinions, the language became tangled and ornate.) He had considerable originality as a novelist. *Caleb Williams* is worth looking at today.

His fame, though, didn't last long, and he outlived it by many years. He went out of fashion with singular speed, much faster than persons who shared his sillinesses and weren't half as clever. That is one of the oddities which Don Locke studies in this new and sympathetic biography. Locke is an academic philosopher. He is also a patient and detached student of human behaviour. This is his first biography, and it proves that, if he feels restless, he has the talent for a new career.

He reveals a good deal about Godwin's life. One of the troubles was that he wasn't an impressive personality. To read, he was strong and incisive. To meet, he didn't suggest anything of the kind. He was physically insignificant and confronted by the guru many people found him dim. That was unperceptive. Under that apparently ineffectual exterior, there was plenty of appetite for mastery, success, above all for being loved. But it took some seeing.

Perhaps it didn't help that, after a meal, he had a persistent habit of immediately going to sleep for an hour or two. And yet he was obsessively argumentative, pertinacious in getting his way, certain of his deserts, and, as his close connections gradually discovered, totally shameless about getting them.

The pleasantest feature of his life was his genuine love for Mary Wollstonecraft, his first wife, and his loyalty to Mary Claremont, his second. Mary Claremont was the mother of Byron's Claire, whose real Christian name was Jane. Mary Claremont was a woman of ability and very strong will, but everyone except Godwin detested her. Mary Wollstonecraft, on the other hand, was generally liked. She must have been a strain to live with, her emotions running wild, but she had the appeal of someone authentically exposed to life. Godwin married her when he was over forty, and discovered, not only the pleasures of the sexual existence, but also what it was like to be close to another human being. When she died after the birth of their first child he was stripped of all the pretences of reason, and knew human, simple grief, his account of which is starkly moving.

With his second wife he went through long years of obscurity and poverty, trying to make a living as a bookseller and a publisher of children's books. Here is another of the problems of his life. Were they really so poor? It appears certain—Professor Locke has made scrupulous use of the sources—that Godwin was an indefatigable and un-put-offable sponger. It was here that he was at his most shameless. He felt it was due to others to supply his needs. That was owed to him by his friends, his acquaintances (he had an acute sponger's eye for a useful prosperous person, which is why he solicited the young Shelley), society, life itself. He didn't bear ill feeling when prospective victims turned him down. It didn't affect his personal relations whether they paid up or not—which shows the coolness of his temperament.

It isn't easy for us today to unravel early nineteenth century money dealings, and it often seems that it wasn't easy for the participants either. But it does look as though Godwin collected in loans, year in, year out, something like £400 a year, and that his income from all sounrces, while protesting indigence, was well over £1,000 a year. In the 1820s that would have been substantial for a successful professional man. Just study the incomes of Trollope's characters a generation later.


Godwin: prophet and sponger

Godwin himself went on living with bare frugality. Shelley, one of his major victims when his son-in-law, cried out in desperation—where does all that money go? No one knew or knows. In a sense, it wasn't unjust that Godwin should be supported. He had talent, immense industry and application up to the age of 80. He had had plenty of bad luck. He deserved to have enough money to keep him in his old age. Still, one wishes that he had come by it in some other way.

Home fires still burning

BY BRIAN AGER

Dear Old Blighty
by E. S. Turner. Michael Joseph. £7.95. 228 pages

It was "the war to end all wars": the great patriotic struggle against the pretensions of the German Empire. It was also the war which cost Britain vast numbers of its natural leaders, and a turning-point in history.

But what was it like in Britain in 1914-18? Some of the answers which E. S. Turner produces will surprise many who have only read of the great battles.

There were strikes, there was a whiff of revolution, and there was controversy about many side issues. Concientious objectors were not the only targets for the country's indignation. Anyone with the suspicion of a foreign accent or a foreign-sounding name was liable to be hounded as a spy. There was concern, particularly among the clergy and the Press, over the decline of sexual morals. There was contempt for the food hoarders and profiteers, with ridicule being poured on the new order of chivalry which some suggested should be called the "Most Unnecessary" Order of the British Empire.

Those who suffered did so with a remarkable stoicism and mothers with sons at the Front went through agony every time they saw a telegraph boy near their homes. The telegram they dreaded was one which read bluntly: "Deeply regret to inform you that .... was killed in action on .... Lord Kitchener expresses his sympathy."

Many of the bereaved sought comfort from mediums. One of these psychic comforters said that whisky and sodas were available in heaven for the newly arrived influx.

But one person who did not have a Scotch between April 1915 and the end of the war was King George V. His pledge to forswear alcohol for the duration was an example which few followed. In fact drunkenness was seen as a threat to the war effort and as a result public-houses ceased to be open from dawn till midnight.

Mr. Turner presents a picture of a country divided on almost every issue except the hatred of the Hun. But it was also a country where many managed to live near normal lives— in spite of the rumble of the Flanders guns.

Fabians sum Jim's lot up

BY PETER RIDDELL

Labour and Equality: a Fabian Study of Labour in Power 1974-79.
edited by Nick Bosanquet and Peter Townsend. Heinemann Educational Books. £9.75 (£4.50 paperback) 312 pages.

After each Labour Government since the war the Fabian Society has produced a collection of essays about what went right (but mainly wrong) and how the performance can be improved next time. For a Society dedicated to the principle of the inevitability of gradualism its members seem to be distinctly impatient with the pace of history.

Nearly 30 years ago the *New Fabian Essays* (with contributors including Anthony Crosland, Richard Crossman, Denis Healey and Roy Jenkins) concluded that

"the chief failure of the Attlee Government was not to move faster and further towards the ideal of equality—the quality which differentiates Socialism from both Conservatism and Liberalism."

The same lament was taken up 20 years later in *Labour and Inequality* and a decade further on it forms the main theme of *Labour and Equality* (both the recent volumes edited by Nick Bosanquet of the City University and Peter Townsend of Essex University).

There is no agreed line in the new volume but the two editors conclude that even though Labour governments have been in office for 11 out of the last 16 years "the results must be considered disappointing."

The latest collection contains some of the most detailed analysis yet produced about the record of the last Government—particularly telling in its comments about the sense of drift in some areas after 1975-76 and the absence of an economic and social strategy other than a desire simply to survive. And a few at least of the authors (notably Nick Bosanquet, David Piachaud and Vincent Cable) do admit there were some positive achievements.

Yet there is a curious unreality about several of the essays. It is sometimes difficult to believe that their authors actually lived through the oil price shock of the mid-1970s and the period of recession and rapid inflation. For all their expertise as directors of pressure groups or special advisers some of the authors appear to have a blinkered view of the world in which they operate.

This is true even of the specifically economic contributions, again with the exception of Nick Bosanquet who concedes that public spending had to be restrained in the mid-1970s, though not later. In contrast, Professor Peter Townsend, for all his fame as a chronicler of poverty, hardly recognises these broader economic problems and constraints. He is worried that decision-making is concerned solely with costs rather than the need for services, and he ignores the fact that the money has to come from somewhere.

Many of the essays reflect a dual divorce in thinking—on the one hand, from ministers and those facing the constraints of power and, on the other hand, from actual Labour supporters, voters and taxpayers. In both respects the attitudes highlight the current dilemma for the Labour Party. Paul Ormerod with his condemnation of the failure of the "social democratic approach of gradualism and indirect controls" and his support for a "more planned economy" is not talking the same language as Denis Healey or those who had to run economic policy. There is an all too obvious danger of a narrow orthodoxy of the Left which rejects out of hand most, if not all, of the work of the last Government. Holders of these views are often not capable of recognising that more public spending is not automatically the same as more welfare and that a belief in markets, the price mechanism and monetary control is not incompatible with social democratic ideals.

Too many of the essays reflect a long-standing Fabian belief that the authors know what is best for the rest of us; Jim Callaghan and Denis Healey were nearer the mark in 1978-1979 when they argued that many ordinary Labour voters probably preferred tax cuts to more public spending. The issue was raised by the late Anthony Crosland nearly 30 years ago.

"The redistribution of taxpayers' income has now gone so far that any large new social services would fall to be paid for not by the rich but by the broad mass of the population, in other words by the recipients of the new services. Thus no redistributive effect between rich and poor would be achieved. Socialists would be quite wrong to think that the essence of Socialism lay in the indefinite expansion of free services. A point will come when, unless specific redistribution of income is desired (for example, towards large families) the liberty of the citizen to spend his extra income as he pleases must also be regarded."

Most, though not all, of the latest essays, have yet to ask, let alone to answer, the question raised by Crosland.

Blindfolds off

BY REX WINSBURY

History's Carnival
by Leonid Plyushch. Collins. £9.50, 429 pages

I remember going on a student tour to the Soviet Union in the late 1950s that took us, among other places, to Odessa. Being one of the few Russian-speakers on the tour (which was strictly non-political, at least on our side) I fell into conversation with a group of students waiting outside the hotel one morning, clearly enough for that very purpose. One was a girl student whom I met several times again in the evenings. She taught me Russian political versions of American jazz songs, and a brief but fundamentally innocent affair ensued. I wondered several times why, as we sat cuddling in the bushes along the sea front, she glanced nervously around. I soon found out. Troops of local vigilantes, escorted by police or soldiers, came round chasing couples out of their trysting-places and taking their names and addresses.

I now discover that it might have been Leonid Plyushch, self-confessed prig and member of the Young Communist morality brigades in Odessa at that time, who dug us out of the bushes. While I cannot claim credit for his subsequent change of attitude to sex, and still less for his subsequent change of attitude to politics, I can at least praise his conversion, his book, and above all his courage. There have, alas, been all too many brave Soviet dissidents, only a fraction of whom have lived to tell their tale in writing. But those who have, bear testimony to the rest, and if the gigantic figure of Solzhenitsyn overshadows them all, it should not obscure the specific merits of Plyushch's terrible pilgrimage from internal to external exile.

For if Solzhenitsyn wrote the definitive *Cancer Ward* about dissidence in a medical hospital, Plyushch has written a scarcely less definitive account of dissidents in a mental hospital, detailing (along with the parallel account by his wife, also included in this book) the pain, degradation, deformity and derangement of people subjected to massive doses of crude drugs like sulphur for no other reason than heterodox political opinions.

This is no place to get into the otherwise quite legitimate debate about how far Russian doctors and psychiatrists, even Russian policemen, genuinely believe that dissidents must be mad. Plyushch hints that in certain cases he accepts this view. Whether the doctors were cynical or sincere, the society which produces them is still inexcusably intolerant (not least in view of its own achievements) and it may be that only a man with a streak of fanaticism that Plyushch displays throughout, could attack the system with such determination.

He was of course lucky in one respect. By the time of his arrest he was already a well-known figure internationally, in mathematical circles at least, for work on mathematical modelling of biological and telepathic processes that I do not begin to understand.

This absorbing book, written in direct unvarnished prose that leaves events to speak all too plainly for themselves, is also a vivid and personal picture of growing up in the Ukraine in the post-war years, as an intelligent party activist whose educational attainments and Ukrainian nationality gradually begin to strip the party blindfolds from his eyes.

Down she went

BY JAMES FRENCH

The Titanic: End of a Dream
by Wyn Craig Wade. Weidenfeld and Nicolson. £7.95, 338 pages

The story of the sinking of the "unsinkable" Titanic on its maiden voyage in 1912 is one of the greatest dramas of the sea, and has launched a fleet of books. Joseph Conrad wrote about it. The focus of Mr. Wyn Craig Wade's book is the United States inquiry led by Senator William Alden Smith, a Mr. Deeds who really went to town.

Its publication is well-timed, since interest in the disaster caused by an iceberg and human folly, which cost 1,522 lives and ruined others, will be re-aroused by this year's efforts, supported by the BBC and the U.S. National Geographic Society, to photograph Titanic more than two miles down and to assess the prospects of raising her. Past plans for bringing up the mighty hulk have included the use of table-tennis balls and helium balloons.

Senator Smith, a meritorious maverick, made the British angry by refusing to release the crew, survivors, and Mr. J. Bruce Ismay, chairman of the White Star Line, who was rescued, until the Senator had had their full testimony at the long-winded inquiry. This lawyer from Grand Rapids, Michigan, was cussed, independent, and a tireless pursuer of the truth.

Titanic, built by Harland and Wolff of Belfast, was the Concorde of its day—a British status symbol when transatlantic steamer competition had reached manic level. It would have given the rich a posher, faster trip than its rivals, but was a dubious commercial proposition.

The harsh truth, revealed by the Smith inquiry, included exposure of the weakness of British Board of Trade regulations: insufficient lifeboats, with a scratch crew insufficiently drilled in using what boats there were; no binoculars for the look-outs. And the mighty ship sailed blandly and almost blindly at full speed into iceberg-infested seas off Newfoundland.

The British Press reviled Senator Smith for his treatment of the British witnesses and his ignorance of nautical matters, but this thick-skinned, hick hero forced through a wealth of safety legislation, including a sensible southward shift of the Transatlantic sea-lanes. He retired from politics in 1919 and drifted back into small-town obscurity.

Wyn Craig Wade, a clinical psychologist, has done a thoroughly professional job of assembling the facts of a great news story that lives vividly two-thirds of a century later and has woven them masterfully into a comprehensible pattern. The moral is: never despair of boring, bureaucratic investigations—they can beam a searchlight to illuminate the path of progress.

Reputations were made and ruined by the Titanic disaster. Marconi, father of radio telegraphy, emerged with discredit. Captain Stanley Smith of the Leyland Line's Californian never cleared his name of failing to give help. Captain Arthur Rostron of Cunard's Carpathia went to the rescue, was awarded the Congressional Medal of Honour, and went on to command the Mauretania and the Berengaria, and served as Cunard's fleet commodore.

LANGUAGE COURSES

Companies ignore linguistic skills

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

FEW NATIONS can ever have been so dumb about their export interests as is the United Kingdom at present. Despite official warnings that many major overseas buyers give preference to a supplier who approaches them in their own language, British businesses generally disdain the advantages of helping their export staff to improve, or even acquire foreign-language skills.

Meanwhile, the teaching of English to foreigners, for long an important source of overseas earnings to the UK, seems in danger of being largely handed as a free gift to teaching organisations owned abroad.

"IN ALMOST all markets it is a damaging, and often a fatal, handicap if representatives, whether principals or subordinates, cannot converse freely with the customer in his own language as well as read his newspapers and trade journals; and perhaps an equal handicap if correspondence from headquarters is not conducted in that language.

"Our export trade, however, is often so handicapped, and today it cannot afford to accept even small handicaps which can be avoided. This one is far from being small and can, we are convinced, be avoided."

So concluded an official inquiry which reported to the British Government half a century ago. Since then Britain's dependency on competitiveness in the world's markets has greatly increased.

If the "avoidable handicap" of the UK's predominant disdain for learning foreign languages was unacceptable in 1930, it can far less be afforded today.

Even so, successive inquiries have continued to reach the same conclusion. For example, the latest report—published by the British Overseas Trade Board eight months ago—declared: "A more positive attitude towards foreign language skills seems essential if the UK is to compete more effectively in export markets, the more so since macro-economic developments seem likely to keep sterling relatively strong. This will add importance to every non-price factor in marketing."

Since these reports were written in English and widely publicised, their message has been readily available to the heads of businesses aware of the need to increase their overseas trade. But the message evidently has been little heeded.

The accompanying table shows the results through the 1970s of the foreign-language examinations run by the London Chamber of Commerce and Industry. Although these results are far short of perfect as a measure of British business interest in studying other tongues, the exams seem a fair indicator because they can be arranged "on site" as well as at regional centres throughout the country and are directed specifically to the commercial or industrial use of the language concerned.

The total entry for 1979, the lowest since the UK formally entered the Common Market, surely implies a general superciliousness towards any evidence available of the potential benefits to British businesses of improving their "stock" of linguistic skills.

How sparse this stock is, emerges from the results published four months ago of a study made by the P-E Consulting Group for the Royal Society of Arts. The research, which complements the British Overseas Trade Board's inquiry mentioned earlier, covered 200 exporting companies of various sizes, of which 119 had won the Queen's Award for Exporting Achievement.

The study showed that the 200 concerns employed nearly 6,750 people in their overseas trading. About half of these went abroad and had to communicate with foreign customers' staff.

Of the senior managers among the 6,750, about 90 per cent visited their overseas contacts, yet only 28 per cent of the total employed in exporting had any significant foreign-language skill. The percentage increased with managerial rank, through 42 per cent for export salesmen and 57 per cent for export sales managers, to 62 per cent for export directors.

But when account was taken of all the factors covered by the research, the report has no hesitation in declaring: "Queen's Award winners place much greater emphasis on 'good foreign languages' as a factor in successful exporting than do non-Award firms."

This is not to deny, of course, that in trading overseas the UK concerns in general can rely to a far greater extent than can most of the foreign competition, on the use of their own native tongue. English is firmly established as the "business language" of the world, and has fast been overtaking French as the diplomatic language.

In reply to this, however, the earlier British Overseas Trade Board report pointed out that "firms may be at a disadvantage if, when selecting agents abroad, they are restricted in their choice to those who can speak English. It has also been suggested that companies may lose out if, by virtue of a lack of linguistic capability, they have no source of market information other than their overseas agents."

Moreover, as seems to have been pointed out by all the relevant reports in the past, even though proficiency in the customer's own tongue may not be commercially essential, it "will not only save time and expense. It will also make it easier for the exporter to build up an effective rapport with his customer. In many competitive industries this is likely to make the difference between a contract won and a contract lost."

Why, therefore, the self-hampering linguistic laziness of the UK business sector?

The main reason is not hard to identify. The British, and their education system, have largely never bothered to value foreign languages as a commercial tool, rather than as a cultural facility. The results of this languid outlook are also apparent from the P-E Group's findings:

"Nearly two thirds of the (200) firms seen do not favour language graduates as recruits for export sales departments. Most export managers are of the opinion that graduate linguists' training is too theoretical and is literature-based with no commercial content . . . The majority would rather employ technically or commercially competent people and train them in languages where necessary."

But if the main blame can at present be placed on the education system, I doubt that it could rightly be so placed for much longer. Stimulated by the recent reports on the UK's deficiency in language skills, and by further proddings by successive Governments, British schools are coming forward in growing numbers with anxious inquiries as to what they can do to supply exporters' linguistic needs.

Colleges, polytechnics, and even universities are apparently willing to develop commercially-directed language courses, as distinct from the traditional literature-based variety.

Past experience has shown too well that such initiatives from the nation's educators are apt to wither and die if they are not greeted with effective encouragement by the working world. The remedy to the UK's linguistic debility now lies in the hands of industry and commerce.

LONDON CHAMBER OF COMMERCE FOREIGN-LANGUAGE EXAMINATIONS

	Elementary-level examinations		Intermediate-level examinations		Advanced-level examinations		All levels	
	Number entered	% passed	Number entered	% passed	Number entered	% passed	Number entered	% passed
1970	915	78	544	74	214	75	1,673	77
1971	865	80	464	73	128	73	1,457	77
1972	1,098	83	556	62	166	71	1,820	77
1973	1,383	83	508	67	136	68	2,027	77
1974	1,394	85	464	74	143	74	2,001	82
1975	1,145	86	439	75	157	86	1,741	84
1976	1,109	85	512	86	166	87	1,787	85
1977	1,207	85	550	87	266	87	2,023	86
1978	1,137	85	593	83	266	85	1,996	85
1979	1,107	84	468	80	163	86	1,738	83

VAT threatens private schools

FOR EVERY Briton studying a foreign language there are at least 100 foreigners learning the English language. Most are studying it in their native land. But since the 1939-45 World War there has developed a large overseas demand for courses in English not only as she is spoke, but also where she is spoken.

How many of the travelling students of English come to the UK can only be guesstimated, although with fair confidence, at more than 200,000 a year. They are catered for by about 700 different courses. The bulk of these are provided outside the State education system by perhaps 250 private-sector organisations.

In tuition fees alone—not counting the students' casual spending or the £25 to £40 a week they pay for accommodation — the private sector of teaching English as a foreign language in the UK must have a total annual turnover of more than £80m.

Although typically lacking professional management as such, the best of the organisations developed impressive techniques for teaching English to foreigners and had no difficulty in attracting paying customers.

Demand has developed, and now about two-thirds of the customers come during the holiday months of July-September. They generally stay for periods of three to five weeks, combining tuition in English with leisure or cultural activity; the majority are youngsters, financed mainly by their families.

The other third are more serious students. Some are young, and aiming to pass examinations in English or to qualify for UK State higher and further education. The remainder are managers, specialists, technicians or trainees, studying the language as part of their work.

The serious students usually stay for longer than their seasonal counterparts and, since their more concentrated study consumes a greater teaching effort, they pay a higher fee. They are the main basis of an all-year-round demand for foreign language English courses which is supplied by 150 to 200 schools which stay open continuously, except for a shortish break around Christmas.

Some of these schools specialise. One, for instance, concentrates entirely on the English of Christianity. Others cater for a particular occupational field, such as the staff of airlines and services. For businessmen, the specialist range extends to personal tuition at prices up to £700 a week.

Given the seemingly self-expanding demand, most suppliers could enjoy a satisfactory income while remaining small; The average turnover among the all-year concerns can be little more than £250,000, even now.

Most repeat custom came until recently by way of word-of-mouth recommendation from former students.

Course lists were distributed by the two trade associations —the Association of Recognised English Language Schools and the Federation of English Language Course Organisations. Other customers were "fed back" by the overseas network of the British Council, which itself runs courses in English as a foreign language for 42,000 students a year in 25 countries abroad.

Most schools also arranged for overseas tour operators and travel agents to make their courses known to potential students, in return for a commission generally of 10 to 15 per cent. But any aggressive marketing was extremely rare.

Today, however, it is clear that English language teaching's comfortable days are over. The strength of sterling increasingly is letting into the market competing operations based in the United States. In addition a newer kind of operation, selling English language course holidays particularly as a bulk business and marketing them both fiercely and widely, has emerged hugely at the top of the market.

The pioneer here is the EF group, owned in Switzerland and collecting its fees largely overseas. But other operators, notably the Tjaereborg holiday group, have now extended the bulk-selling activity.

As a result the summer market, on which most "mainly general" schools crucially depend, has been thrown into over-supply. It has also become extremely sensitive to price. And the irony is that in these circumstances the British Government is allowing operations such as the EF group and Tjaereborg a most important advantage.

By collecting the bulk of their fees abroad, and by bringing in not only foreign students but also foreign teachers, these organisations can largely avoid paying the 15 per cent Value Added Tax. This is levied on the commercial English language teaching organisations which trade from the UK, even though virtually every other Government which imposes VAT, zero-rates educational services.

So the bulk of the smaller, general schools would be unable to compete with the EF group on price, even if they had the stored resources to withstand the price-cutting war over the summer market which seems now to have started.

If the Government persists in its present VAT policy, it therefore seems most likely that this English teaching activity in the UK will undergo a swift, severe change. Overseas-owned organisations increasingly will drive British schools out of the general market.

TEACHING OF ENGLISH AS A FOREIGN LANGUAGE IN THE UK

The "Top 10" private-sector suppliers

	Where owned	Approx. % of total fee income
EF group	Switzerland	15.0
Anglo-Continental	Switzerland	4.4
International House and affiliates*	UK	4.3
Davies's-Eurocentres*	Switzerland	3.6
Bell group*	UK	2.5
Anglo-World Education	Switzerland	2.4
Regent group	UK	1.6
Pitman's schools	U.K.	1.4
LTC (Linguaphone)	United States	1.3
Berlitz group	United States	1.1

* Charitable trust.

WORLD STOCK MARKETS

Early irregularity on Wall St.

A MIXED trend prevailed on Wall Street yesterday, after retreating from opening levels. Analysts said the speculative surge in some of the Oil, Gas and Rail issues was diminishing and there was no other major group ready to take the lead.

After opening another 2.56 up at 888.05, the Dow Jones Industrial Average reacted to 885.15 by 1 p.m., for a net loss of 0.34 on the day although still up 3.67 on the week. The NYSE All Common Index, at $66.78, rose 9 cents on the day and 70 cents on the week. Declines led advances by a seven-to-six majority, while the trading volume decreased 4.9m shares to 37.68m compared with 1 pm Thursday.

Analysts noted there was no real change in the news background although efforts by Iranian President Bani-Sadr to undercut the strength of militants holding U.S. hostages had raised hopes about possible release of the Americans.

The better tone in the Bond Market was encouraging although falling Bond prices had diverted funds into stocks in recent sessions.

Gulf Oil, again the volume leader, added $1⅞ at $45⅞. Union Pacific, however, lost $1½ to $90. They are participants in the Kewanee Federal Number One well in Wyoming, which has been the subject of speculative interest in the last three sessions.

Indiana Standard and Dow Chemical, the other two partners in the well, had yet to trade. California Standard, which has operations in the same area, gained $1½ to $73⅞. Active Texaco eased $¼ to $38⅞.

Among other Rail issues, Burlington Northern slipped $1⅞ to $77⅞, but Norfolk and Western rose $⅜ to $33⅝, Seaboard Coastline Industries $1 to $36⅞ and Chessie ⅞ to $33.

Chrysler fell $⅛ to $8⅞—Thursday it reported a huge 1979 loss and omitted its dividend.

Rosario Resources picked up $1½ to $72 and Amax $⅞ to $53⅞ — Amax approved a plan to acquire Rosario for stock.

Howard Johnson tacked on $¼ at $24—Imperial Group said it has made progress in obtaining Regulatory Approvals needed before it can acquire Howard Johnson.

PSA gained $⅜ to $27⅞ on record fourth quarter and year net earnings.

THE AMERICAN SE Market Value Index put on 1.96 to 286.21, making a rise of 8.64 on the week.

Oil and Gas issues were strong. Imperial Oil "A" rose $1⅞ to $42, Inter-City Gas $¼ to $20½, Ranger Oil $½ to $27¾ and Bow Valley Industries $1 to $50. The Canadian Oil and Gas issues were helped by reports of a major oil find in Southern Alberta Province.

Closing prices for North America were not available for this edition.

Canada

Market continued to advance sharply in heavy noon trading yesterday when the Toronto Composite Index gained 25.1 to 2,077.3.

Oil and Gas Index jumped 68.3 to 4,373.9 on rumours of a new oil discovery in Alberta, although some observers played down the reports. Several stocks with interests in the area had yet to open.

The Gold Share Index moved up 69.7 to 3,309.2 and Metals and Minerals 33.3 to 2,214.5. The Utilities Index rose 4.60 to 265.32 and Banks 0.32 to 332.77, but Papers shed 0.57 to 199.96.

Tokyo

Mainly higher in active trading, led by "Big-Capitals," Defence-Related issues and Machines. Volume 550m (460m) shares.

Steels rose widely in anticipation of good business performances. Foreign investors actively bought Steels, Heavy Electricals and Shipbuildings.

Machines firmed on the 27.5 per cent rise in Japanese machinery orders in 1979, with Okuma Machinery gaining Y35 to 770, Toshima Machine Y40 to 507 and Ikegri Iron Y14 to 350.

Blue Chips and Populars generally closed higher following the overnight Wall Street gain, but Oils, non-Ferrous Metals and Sugars eased on profit-taking.

Germany

Mostly higher, although some profit-taking during the last trading hour cut into earlier gains. Trading as moderate. Foreign buying had pushed prices during the opening hour before profit-taking set in, especially by the Professional Trade and Institutional investors.

Among firm Machinery Makers, GHH advanced Dm 3 and KHD Dm 2.90. Steels closed narrowly mixed. Chemicals were higher, Minings and Oils also gained ground.

Except for BMW, up Dm 3.50, other Motors gave ground. Electricals were mostly up. Siemens advanced Dm 2.6, still profiting from the projection of a good business year the major West German Electrical Group made earlier this week.

Gains also predominated among major Utilities, while Stores were narrowly mixed.

On the Domestic Bond Market Public Authority issues showed losses up to Dm 0.70, while the Regulating Authorities bought a nominal Dm 14.1m worth of stock.

Mark Foreign Loans eased.

Australia

Coal Mines set the pace in lively markets, with Coal and Allied Industries rising another $A1.15 to 11.20, for a gain of 2.60 on the week. Its parent, Howard Smith put on 80 cents to 9.30—it has Coal operations on its own account, a big interest in Sugar and Shipping and Portfolio investments.

A combination of Sugar, Coal and Shale Oil had buyers seeking CSR, which rose 20 cents to $A6.46.

White Industries were a substantial loser in Coal Mines, but White is a special case now.

Elsewhere Banks, Finance, Building Materials and Engineerings improved.

Golds were mixed in the wake of uncertain conditions in World Bullion Markets.

Bougainville made a strong start on its $A110m profit, higher dividend and capital reconstruction, but eased later to close unchanged. Its parent CRA went well for it is now clear that the Mining House is in for a "big" year with major contributions from Bougainville, Comalco and AM and S.

Paris

Share prices firmed in active trading, led by Peugeot Citroen which continued its rise to Frs. 281.5 from an overnight 278, following its announcement Wednesday of a $100m loan to Chrysler.

The market was also buoyed by hopes of a relaxation of tension between the U.S. and Iran.

Real Estate and Investment, Foods, Oils and Transports strengthened, but Chemicals were down and other sectors tended mixed.

Among Foreign stocks, Germans and Oils firmed, Coppers were steady, while Americans, Gold Mines and Dutch weakened.

Johannesburg

Share prices were mixed, with several sectors marked by profit-taking after the substantial price rises earlier in the week, although brokers say that the fundamental strength of the market remains.

Gold shares closed mainly easier on expectations of a slight drop in the bullion price. But Overseas and Institutional interest helped some stocks recover slightly during the afternoon to above the day's lows.

Profit-taking was particularly noticeable in Industrials.

Switzerland

Swiss stocks rallied on substantial volume, helped by accumulation of buy orders, and by investors lifting their limits on market orders in many places.

Investors started to take a less cautious attitude, coming out of their waiting positions, dealers noted. The Swiss economic outlook for the first half was viewed with optimism and many companies are expected to report 1979 results, while anticipation of attractive capital increases were in the background.

NEW YORK

[illegible]

CANADA

Stock	Feb. 7	Feb. 6
Abitibi	23	22⅞
Agnico Eagle	14¾	14⅝
Alcan Alumn	68¼	68¾
Algoma Steel	37¾	36¼
Asbestos	36⅝	36⅝
Bk Montreal	27	26¾
[illegible]		

BELGIUM (continued)

Feb 8	Price Frs.	+ or —
Petrofina	6,110	+150
Royale Belge	5,700	+10
Soc Gen Banq	2,755	......
Soc Gen Belge	1,700	+55
Sofina	3,440	+95
Solvay	2,430	—5
Traction Elect	2,710	+110
UCB	1,424	+10
[illegible]		

HOLLAND

Feb. 8	Price Fls.	+ or —
ACF Holding	76	—3
Ahold	80.8	—0.2
AKZO	25.6	+0.1
ABN	299	+4
AMEV	99.1	—1.7
AMRO	63.5	+1.1
Bredero Cert	223.5	+0.3
[illegible]		

AUSTRALIA

Feb. 8	Price Aust. $	+ or —
ANZ Group	4.86	+0.05
Acrow Aust	1.00	—0.03
Allstate Expl	2.25	+0.45
Ampol Pet	1.56	......
Ast Pulp Pap	2.45	......
Audimco	0.28	......
Aust Cons Ind	2.19	+0.01
Aust Guarant	1.46	—0.02
[illegible]		

JAPAN (continued)

Feb. 8	Price Yen	+ or —
Makita	1,140	......
Marubeni	385	—1
Marudai	644	+2
Marui	750	—2
Matsushita	727	—1
M'ta Elec Works	555	......
M'bishi Bank	415	......
M'bishi Corp	713	—7
[illegible]		

Indices

[illegible]

NEW YORK ACTIVE STOCKS

[illegible]

INTERNATIONAL COMPANIES and FINANCE

Nuclear deal signed by Fiat and state group

By Paul Betts in Rome

FIAT, the Turin-based private conglomerate, and Finmeccanica, the state-controlled mechanical and energy group, have signed a major industrial agreement in the nuclear and aviation motors sectors, it was officially announced in Rome yesterday.

The agreement, as explained in the Financial Times yesterday, sees Finmeccanica take control of the Italian nuclear industry by acquiring the majority stake in the two Italian companies, Sigen and Sopren, which own the U.S. Westinghouse pressurised water reactor (PWR) technology and knowhow in Italy. The two companies were originally jointly controlled by Finmeccanica and Fiat.

At the same time, Fiat is to take control of a new consortium to rationalise Finmeccanica and Fiat manufacturing activities in the military aviation engines sector.

The agreement is largely designed to rationalise the Italian nuclear industry in view of the country's imminent nuclear programme envisaging the construction of up to five twin-reactor nuclear plants with an overall capacity of 10,000 MW.

Cerabati in U.S. deal

Societe Cerabati has approved in principle the acquisition of about 50 per cent of the capital of Monarch Tile of the U.S., makers of ceramic tiles. As part of the deal, Cerabati will be able to increase its stake to 65 per cent, writes AP-DJ from Paris.

Final agreements are expected to be signed before the end of April.

BANKING IN FRANCE

Societe Generale plans rights issue

BY TERRY DODSWORTH IN PARIS

THE FRENCH Government has taken a significant step towards a limited denationalisation of the state sector by turning down its rights to subscribe to a share increase at one of the big three State-owned banks.

An announcement by the bank, Societe Generale, has made it clear in its next capital increase, expected in April, that it will be seeking new private shareholders because the State has decided "not to exercise the totality of its rights."

The Government's decision comes at a time of widespread speculation about the possibility of a more far-reaching denationalisation. Ministers are believed to have been examining the feasibility of bringing private shareholders into companies like the AGF insurance group, the EDF electricity utility, CDF-Chimie, one of the country's largest chemicals groups, and Renault motor company.

In the case of the banks, the introduction of new private capital has been made virtually unavoidable by the Economic Ministry's determination to increase the ratio of their capital and reserves in proportion to lending.

French banks are undercapitalised in comparison with their leading international competitors, and the authorities are keen to eradicate this weakness in order to boost their overseas expansion.

The Government has been faced with the problem, however, of finding the funds to finance the necessary capital increases. Since public finances are overstrained, it has decided to let the State banks seek private capital, which they can do without a change in the law up to a ceiling of 25 per cent of their equity.

It is clear that other banks are going to follow Societe Generale's example, although some may seek different forms of funding such as non-voting preference shares.

There have also been strong indications that the AGF insurance company will soon be seeking private capital, while Air Inter, the airline owned by a group of nationalised organisations, has said that it will be looking for a stock market quotation sometime in the future. On the other hand, Renault has responded vigorously against the idea of accepting new shareholders.

The Societe Generale rights offer involves the issue of 503,854 shares on a 1-for-20 basis. Issue price has got to be determined but at last night's market close, 5 per cent of Societe Generale was capitalised at $29.6m.

Burmeister board under siege

BY HILARY BARNES IN COPENHAGEN

FORMER chairman and controlling shareholder in the Danish Burmeister and Wain shipbuilding and industrial group, Mr. Jan Bonde Nielsen, plans to use his position to call a general meeting of shareholders to dismiss the present directors.

Mr. Bonde Nielsen resigned from the board and the chairmanship last October, and has not since taken part in the running of the company.

This is Mr. Bonde Neilsen's reply to a demand from the board that he sell his shares in the company and dissociate himself from the group. He announced that he himself will take over as managing director and Mr. Ole Pontoppidan, a lawyer, will become chairman.

The shareholders meeting is expected to take place within 14 days. Mr. Bonde Neilsen's controlling interest is held by a small company called Credana, in which Mr. Bonde Neilsen also has, a majority holding.

Mr. Bonde Neilsen was asked to sell his shares last week when board chairman Erik Nielsen and managing director Jan Lemborg issued a statement saying that they had asked police to investigate transactions at B & W at the time of Mr. Bonde Neilsen's stewardship.

At a press conference yesterday Mr. Bonde Neilsen said his return to the leadership of the company will not affect B & W's liquidity which "was assured" through the agreement with the West German MAN group B & W's marine diesel engine manufacturing interests were recently hived off into a separate joint company. The deal gave B & W a cash injection worth about DKr 265m ($48.89m).

Mr. Bonde Neilsen took over the B & W shipyard in 1974 and later acquired control of the group's other operations but his affairs are under investigation by police in connection with a company called DCK International, which went into liquidation in 1976 with substantial debts.

It was the constant press comment on his affairs and the poor image which this gave the B & W group which caused Mr. Bonde Neilsen to resign from the chairmanship last October.

Setback at Philip Morris (Australia)

By James Forth in Sydney

PHILIP MORRIS (Australia) suffered a 17.5 per cent drop in earnings for the December half-year, and expects highly competitive conditions in the wine and tobacco industries to keep pressure on profit margins. Earnings for the six months fell from A$9.0m to A$7.45m (US$8.3m), despite a 10.6 per cent increase in sales from A$195m to A$215m (US$238m).

The interim dividend has been held at 25 cents and is 1.3 times covered by the earnings a share of 32.8 cents, compared with 39.8 cents in the same period last year. The directors said that competition for market shares continued to be the major factor affecting the tobacco and wine industries, and that the group's lower profit also reflected a heavy increase in marketing expenses.

This had resulted in the company lifting its share of an expanding cigarette market in the latter half of 1979, but at the expense of profit. The abolition of the trading stock valuation and the lower rate of investment allowance reduced profit for the half by an estimated A$807,000.

Wine industry sales volume, stimulated by intense price competition, again registered strong growth, primarily in the dry white table wine segment, although demand for all kinds of wine was buoyant. In New Zealand, the cigarette market turned down after a 15 per cent sales tax was levied

Sabena sees heavier losses

By Our Financial Staff

HEAVIER losses are expected for 1979 by the Belgian national airline, Sabena. The airline also announced yesterday that its fuel bill in the current year would more than double.

Sabena said that the Belgian government is to hand over a statutory contribution of BFr 1.88bn ($38.28m) by mid-February. The government had also "tentatively decided" to increase the company's capitalisation by BFr1bn a year for the three years ending in 1982.

Malaysian estate group ahead

BY OUR FINANCIAL STAFF

THE RUBBER TRUST, the Hong Kong quoted Malaysian estate company, lifted consolidated net profit after tax and before extraordinary items to HK$ 11.94m (U.S.$ 2.46m) in the year to September 30, 1979, from HK$ 7.26m in 1977-78.

Under a scheme of arrangement whereby the company would be acquired by Tan Sri Lee Yan Lian and his associates it has been agreed that no further dividends would be payable on independently held shares. If the scheme does not become effective, the final dividend will be 25 cents against 15 cents for a total of 35 cents, compared with 24 cents and a 5 cents cash bonus.

Amalgamated Rubber Estates, which is linked with Rubber Trust and also subject to an offer by Tan Sri Lee Yan Lian and Associates, raised net profits to HK$ 10.17m ($2.09m) in the year to September 30, 1979, from HK$ 6.99m in the previous year.

If the takeover does not take place the company will lift its final dividend from 9 cents to 15 cents for a total of 25 cents compared with 17 cents and a 3 cents cash bonus.

First–half decline at Seatrain Lines

By David Lascelles in New York

A FURTHER profit decline was repored yesterday by Seatrain Lines, the troubled U.S. shipping group.

In its second quarter ended December 31, the company's net income from continuing operations dropped to $3.04m on 21 cents per share, from $5.35m or 36 cents in the same period of 1978. Revenues were up more than 100 per cent to $341m.

This brought Seatrain Lines' six-month earnings to $5.45m or 37 cents per share compared with $7.52m or 50 cents in 1978. Six-month revenues were up from $331.3m to $618.9m.

Seatrain Lines blamed much of the fall in profit on the high debt servicing costs which have dogged its operations for a number of years.

Half-year lift for Clayton

By Our Financial Staff

ANDERSON CLAYTON, the food, coffee and insurance group, pushed earnings ahead by 24 per cent to $24.6m in the first half of 1979-80. Share earnings of $1.83 compare with $1.41 a year ago, and sales of $853.1m show a gain of 23 per cent. For the full year, sales of over $1bn have been predicted, and profits exceeding the $3.54 per share of the previous year.

The second quarter displayed increased growth, with earnings 33 per cent up at $16.3m, or $1.21 against 87 cents. Sales added 24 per cent to $497.2m.

Anderson is mainly a producer of foods in the U.S., Mexico and Brazil.

Fruehauf increase

Fruehauf, the trailers and containers group, forecasts 1979 earnings in the area of $7.25 a share on sales of about $2.4bn, Reuter reports from Detroit. The company earned $6.30 a share on sales of $2.2bn in 1978. Fourth quarter earnings in 1979 were slightly above the level of a year earlier with the group's diversified businesses offsetting reduced automotive operations.

Three Mile Island costs hit General Public Utilities

BY OUR FINANCIAL STAFF

GENERAL Public Utilities, the U.S. energy holding company which owns the Three Mile Island nuclear power plant, has suffered a setback to net profit for 1979. The company said yesterday that its lower earnings were due primarily to the fact that it was unable to recover the capital and operating maintenance costs of the Thre Mile Island Number Two facility.

The Three Mile Island Number Two unit has been closed since last spring following the worst nuclear accident ever in the U.S. Several thousand people had to evacuate the area surrounding the plant after the reactor core partially melted on March 28 last year and released sizeable amounts of radiation into the atmosphere.

General Public Utilities' net income for 1979 declined from $138.77m or $2.30 per share to $95.78m or $1.56. Sales for the year advanced from $1.33bn to $1.49bn.

The reduction in net income and earnings per share came in spite of a 2 per cent increase in kilowatt hour sales to 32bn kilowatt hours and a 12 per cent increases in revenue. The costs of the Three Mile Island No. 2 unit were removed from the rates of GPU operating companies by the New Jersey and Pennsylvania regulatory agencies in 1979.

In a separate announcement, GPU said that it had borrowed $201m under a $409m revolving credit agreement set up to cover the cost of buying power to replace that lost due to the Three Mile Island accident. The company said that replacement power costs have been running at between $24m and $26m per month lately.

COMMODITIES/REVIEW OF THE WEEK

Record day for sugar market

BY OUR COMMODITIES STAFF

THE LONDON sugar market had its busiest day ever yesterday with turnover totalling over 1m tonnes and prices staging their biggest upsurge since the 1974-75 boom.

The excitement was prompted by a report that the Cuban crop will be down 1m tonnes this year because of disease and other problems, though some dealers had their doubts about its accuracy. This pushed the May futures position up to £265 a tonne at one stage before it eased back to close at 259.675 a tonne, up £26.25 on the day and £23.85 on the week.

Buyers seemed undeterred by the knowledge that the 830,000 tonnes International Sugar Agreement stockpile release expected on Wednesday has been made a virtual certainty by the latest rise. In fact the rise has taken the price to a level at which release of the whole £m tonnes stockpile would be triggered by the end of the month if it is maintained.

Earlier in the week the long rise in world sugar values appeared to be faltering as relatively modest prices paid at physical sugar tenders caused speculators to think twice about the levels ruling on the futures market. At one stage the May futures quotation slipped below £230 a tonne.

Rubber prices also moved higher encouraged by reports that there would be a substantial shortfall of production against consumption this year. On Monday a Malaysian minister said the deficit was projected at 340,000 tonnes but it was later admitted that this was based on out of date figures and that the latest forecast was for a 240,000 tonnes shortfall.

In London yesterday Dato Leong Khee Seong, the Malaysian Primary Industries Minister confirmed that a large shortfall was anticipated and that prices were likely to follow an upward trend. But in Washington the U.S. Rubber Manufacturers Association begged to differ. It said there would be a surplus of natural rubber amounting to 75,000 tonnes this year. "There is no basis for recent forecasts from the Far East of a shortfall in natural rubber supply," the Association declared.

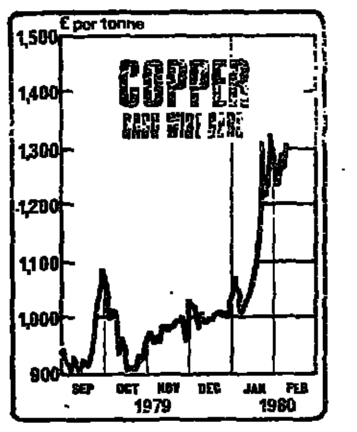
On the London physical market the RSS No. 1 spot rubber price ended the week at a new peak of 83.5p a kilo after a 4p rise. A similar rise was recorded on the London rubber futures market.

Coffee prices came under further pressure this week, possibly due to a report by Cont-Commodity Services forecasting a 20 per cent price fall this year. Cocoa prices ended little changed after trading in a narrow range all week.

Base metals markets had an erratic week. Copper fell sharply on Monday but the fall was wiped out by successive advances over the next two days. It fell again on Thursday but after a £43.5 rise yesterday ended the week £14 up on balance.

Lead and zinc prices tended to move in sympathy with copper though the former was further encouraged by talk of East European buying. Cash lead ended the week £20.5 up at £515.5 following a £19.5 rise yesterday, and cash zinc lost £2 on the week to £368 a tonne.

Meanwhile tin moved in a fairly narrow range following movements in Penang. By last night's close cash tin had risen a modest £85 to £7,380 a tonne.



WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1979/80 High	1979/80 Low
METALS					
Aluminium	£810/815	—	£710	£810/815	£710
Free Markets c.i.f.	$2040/2060	—	$1,150/60	$2,045	$1,210
Antimony					
Free Market 99.6%	$3,250/3,300	+30	$2,850/900	$3,275	$2,718.5
Copper Cash Wire Bars	£1,308.5	+14	£950.75	£1,321	£769
3 months Do. Do	£1,306.5	+16	£966.25	£1,315.5	£783.75
Cash Cathodes	£1,252.5	+5	£937	£1,276	£744.5
3 months Do	£1,276.5	+9	£954.25	£1,287.5	£757.25
Gold per oz	$397.5	+20	$243	$835	$216.625
Lead cash §	£515.5	+20.5	£520.5	£701.5	£434.5
3 months §	£493.5	+4	£493	£642.5	£420.75
Nickel	£3,195.79	—	£2,320.69	£3,260.17	£2,320.68
Free Market c.i.f. lb	305/330c	—	178/192c	340c	156c
Platinum per oz	£189	—	£184.5	£195	£152
Free Market per oz	£392.15	+24.3	£204.76	£407	£166.6
Quicksilver (76lbs.)	$395/405	+7.5	$206/215	$410	$160
Silver per oz	1,599.65p	+44.65	350p	2,155.05p	269.4p
3-months per oz	1,631.6p	+61.6	361p	2,185.05p	303.7p
Tin cash	£7,380	+85	£7,170	£7,987.5	£6,320
3 months	£7,420	+80	£7,100	£7,820	£6,365
Tungsten Ind	$138.72	+0.78	$134.14	$145.56	$127.94
Wolfram (22.04 lb)	$139/144	—	$119/124	$144/149	$120.5
Zinc cash	£368	–2	£394.5	£408.5	£275.5
3 months	£379.5	–5	£409.25	£423.5	£286.25
Producers	$780/825	—	$760	$845	$720
GRAINS					
Barley					
Home Futures	£100.85	–0.70	£89.85	£101.55	£88.8
Maize					
French No. 3 Yellow (Amer)	£117.50z	+0.25	£109	£120	£105.5
WHEAT					
No. 1 Red Spring	‡	—	‡	£99.0	£92.0
Am. Hard Winter	£96.25	–2.75	£89.25	£111.75	£83.5
Eng. Milling (new crop)	‡	—	£96	£107.5	£93.5
SPICES					
Cloves (g)	£4,080y	–95	£5,975	£4,175	£3,850
Pepper, white	£2,750	–50	£3,750	£2,850	£2,600
black	£1,950	—	£1,825	£2,000	£1,660
OILS					
Coconut (Philippines)	$880y	–25	$1,005	$1,175	$870
Groundnut 5%	‡	—			‡
Linseed, Crude	£451	—	£585	£441	£368
Palm Malayan	$587.5u	–2.5	$679	$725	£568.50
SEEDS					
Copra (Philippines)	$875	–20	$700	$748	$565.5
Soyabeans (U.S.)	$301x	+1	$298	$360.45r	$235.2*
OTHER COMMODITIES					
Cocoa Shipment	£1,525	–1	£1,694.5	£2,041	£1,446
F'ts 2nd psn	£1,464.5	–7	£1,644.5	£1,990.5	£1,350.5
Coffee Futures May	£1,513.5	–35	£1,527	£2,089	£1,298.5
Cotton Index	97.60c	+2.5	75.15c	98.10c	72.5c
Des. Coconut	£750	—	£700	£740	£700
Jute LJ ABW C grade	£221y	–3	£512	£263	£221
Rubber kilo	83.50p	+4	60.75p	83.50p	55p
Sago Pearl	£209y	–2	£183	£219	£178
Sisal No. 3 L	$895	—	$515/20	$865	$515
Sugar (Raw)	£225	+4	£100	£231	£92.5
Tapioca No. 1	£204y	–2	£167	£251	£167
Tea (quality) kilo	157p	—	138p	155p	135p
(plain) kilo	62p	—	78p	82p	57p
Wooltops 64s Warp	292p kilo	—	259p kilo	295p kilo	252p kilo

‡ Unquoted. (g) Madagascar. (x) May. (z) Feb. (w) March/April. (y) Feb./March. (u) March. * Nominal.

MARKET REPORTS

BASE METALS

COPPER—Firmer as trade buying started an advance in prices and brought in substantial speculative interest. In a thin pre-market the forward price went from £1,272 to £1,254 and back up again, after which the fresh buying emerged. Following the Comex opening the price touched £1,307 and there was good volume around £1,300. But there was selling pressure towards the end of the day and the price closed on the Kerb at £1,301. Turnover: 22,500 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	1296-7	+6	1308-9	+4.5
3 months	1296-6	+4.5	1306-7	+2.5
Settlem't	1297	+6	—	...
Cathodes				
Cash	1256-8	+1	1250-5	–3.6
3 months	1263-4	+4.5	1275-8	+34.5
Settlem't	1258	+1	—	...
U.S. Prod	..	......	*150-5	.....

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £1,292, 95, 96, three months £1,280, 81, 85, 84, 83, 84, 86, 90, 91, 94, 95, 94, 93, 91, 93, 91, 92, 93, 94, 93, 95, 96. Cathodes: three months £1,265, 62, 63. Kerb: Wirebars, three months £1,295, 94, 93, 90, 91, 92, 94, 95, 94, £1,293. Afternoon: Wirebars, cash £1,308, three months £1,305, 07, 04, 06, 04, 05, 06, 07, 08, 09, 08, 07, 06, 05.5, 05, 06, 07. Kerb: Wirebars, three months £1,304, 05, 04, 05, 06, 05, 04, 03, 01, 1,299, 1,300, 1,300.5, 1,300, 01, 02. Close: 1,301.

TIN—Quiet with forward metal trading for most of the day between £7,420 and £7,430 before bear covering in a thin market led to a close on the Kerb of £7,450. Turnover: 830 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7360-5	–65	7370-90	+20
3 months	7420-5	–17.5	7410-30	+15
Settlem't	7365	–65	—	......
Standard				
Cash	7360-5	–65	7370-90	+29
3 months	7420-5	–12.5	7410-30	+15
Settlem't	7365	–65	—	......
Straits E.	‡$2194	+20		......
New York	—			......

Morning: Standard cash £7,380, 70, 65, three months £7,420. Afternoon: Standard, three months £7,430. Kerb: Standard, three months £7,420, 50, £7,445, 55.

LEAD—Gained ground after an early movement which took forward metal from £472-£475 to £494. Some trade buying and then commission house purchases, after reports of a decline in stocks, caused the rise. Thereafter the price held between £490 and £494, helped by the strength of copper and the weaker pound. The close on the Kerb was £490.5. Turnover: 8,175 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	513-5	+12.5	494-8	+2
3 months	493-4	+10	479-80	+1
S'ment	515	+13	—	.....
U.S. Spot	—	......	*50	.....

Morning: cash £512, 16, three months £492, 93, 91, 93, 94, 94.5, 94, 95, 94. Kerb: three months £494, 93, 94, 92, 91, 90, 89, 490. Afternoon: cash £515, three months £493, 92, 91, 92, 93, 94, 93.5, 94, 93. Kerb: three months £492, 91, 90.

ZINC—Very steady, reflecting the strength of copper and lead. The forward price held between £370 and £379 through the day closing the Kerb at the high. Turnover: 5,100 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	363-5	+.5	367-9	+8
3 months	375-6	......	379-80	+6
S'ment	365	+1	—	.....
Primw'ts			*37.5	.....

Morning: three months £375.5, 76, 76. Kerb: three months £376, 377. Afternoon: three months £377, 78, 79, 80. Kerb: three months £379, 78, £377, 79.

ALUMINIUM—Strong as good buying through the day took the forward price in erratic movements from £910 to a record high of £950 before selling pressure emerged. Commission house and stop-loss buying were prominent and the market was influenced by copper and the lower pound. Strong profit-taking took the price down from the highs and the close on the Kerb was £940. Turnover: 17,125 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	928-30	+12	940-2	+21.5
3 months	927-8	+12	939-40	+11

Morning: mid-Feb. £929, three months £918, 20, 24, 22.5, 22, 23, 24, 22, 23, 25, 24, 23, 24, 25, 26, 25, 27, 28. Kerb: three months £99 28, 27, £926. Afternoon: three months £935, 34, 32, 31, 30, 29, 32, 33, 35, 38, 37, 38, 39, 40, 41, 42, 45, 46, 45, 50, 48, 44, 45, 46, 41, 40.5, 40, 37, 40. Kerb: three months £942, 40, 38, 35, 40, 39, 40.

NICKEL—Quiet as forward metal rose from £3,150 to £3,175 in line with the strength of other metals. Turnover: 216 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	3030-40	–10	3050-60	+25
3 months	3150-5	–2.5	3170-5	+23.5

Morning: three months £3,150, 55, 50. Kerb: three months £3,160, 3,170. Afternoon: three months £3,175, 70. Kerb: three months £3,170, 75.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 59.45p an ounce lower for spot delivery in the London bullion market yesterday at £15.9965. U.S. cent equivalents of the fixing levels were: Spot $36.8, down $1.5; three-month $37.253, down $1.456; six-month $37.173, down $1.386; and 12-month $37.544, down $1.999. The metal opened at £15.85-16.50 ($36½-38) and closed at £16.50-17.00 ($38-39).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffici'l	+ or —
Spot	1599.65p	–58.4	1675.0p	+55
3 months	1631.60p	–57.5	1712.0p	+55.5
6 months	1633.00p	–58.1	—	......
12months	1661.60p	–58.5	—	......

LME—Turnover 282 (224) lots of 10,000 ozs. Morning: Cash 1690, three months 1650, 60, 70, 60, 50, 60, 70, 75, 80, 90, 1700, 1710, 15, 20. Kerbs: Three months 1700, 1695. Afternoon: Three months 1715, 20, 1700, 05, 03, 04, 05, 10. Kerbs: Three months 1710, 15, 10.

COCOA

Trading within a £14 range futures attracted a little buying interest after the New York market opened but profit-taking at the close pared the gains. Physical trading was limited to nearby cocoa products, reports Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
March	1472-75	+7.5	1480-66
May	1464-65	+3.5	1475-53
July	1464-65	+2.0	1475-52
Sep	1481-84	+6.5	1490-77
Dec	1509-10	+2.5	1518-10
March	1535-45	+3.5	—
May	1550-65	–5.0	—

Sales: 1,705 (1,972) lots of 10 tonnes. International Cocoa Organisation (U.S. cents per pound): Daily price Feb. 1 148.00 (150.43); Indicator price Feb. 8 15-day average 145.91 (145.65); 22-day average 145.39 (145.27).

COFFEE

Robustas opened slightly lower in quiet trading conditions, reported Drexel Burnham Lambert. In the afternoon a brief rally in New York inspired some early commission house buying but scale-up trade selling provided good resistance. The market finished the day on a steady note with gains of up to £22 from the Thursday's close.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1484-85	–1.0	1495-73
May	1513-14	+8.0	1513-14
July	1535-40	–10.0	1555-40
Sept	1560-62	–15.0	1564-50
Nov	1560-61	+15.0	1562-36
January	1540-60	+10.0	—
March	1550-69	+22.0	—

Sales: 6,864 (3,680) lots of 5 tonnes. ICS Indicator prices for Feb. 7 (cents per pound). Other Mild Arabicas 161.33 (162.33). Robustas ICA 1976 160.00 (161.25). ICA 1968 160.25 (161.50). Unwashed Arabicas 213.00 (same). Comp daily ICA 1968 181.22 (181.89).

GRAINS

Mnth	WHEAT Yest'rdays close	+ or —	BARLEY Yest'rday close	+ or —
Mar.	99.10	–0.10	96.65	+0.35
May	103.50	–0.10	100.85	+0.20
Sept	96.90	+0.45	95.90	+0.50
Nov	103.40	+0.40	97.40	+0.40
Jan	105.95	+0.30	100.95	+0.35

Business done—Wheat: March 99.10-98.95, May 103.50-103.35, Sept. 96.80-96.55, Nov. 103.30-100.00, Jan. no trade. Sales 189 lots of 100 tonnes. Barley: March 96.65-96.00, May 100.90-100.35, Sept. 93.80-93.55, Nov. 97.25-97.00, Jan. 100.70-100.60. Sales 295 lots of 100 tonnes.

RUBBER

The London physical market opened about unchanged, with good speculative buying throughout the day, and closed on a firm note. Lewis and Peat reported a Malaysian godown price of 327 (375) cents a kg (buyer, March).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
Mar.	84.50-85.50	84.00-84.10	84.50-85.00
Apr.	85.60-87.00	85.00-86.00	—
Apr-Jne	87.60-88.00	86.90-87.10	87.90-88.00
Jly-Sept	90.85-90.90	89.80-89.90	90.90-88.80
Oct-Dec	92.90-95.00	92.00-92.15	93.00-91.00
Jan-Mar	94.60-94.80	93.60-93.75	94.60-92.75
Apr-Jne	96.55-96.40	95.20-95.50	96.55-94.75
Jly-Sept	98.00-98.10	96.80-96.85	97.50
Oct-Dec	99.40-99.50	99.05-98.50	99.50-99.00

Sales: 997 (1,404) at 15 tonnes, 4 (16) at 5 tonnes.

Physical closing prices (buyer) were: Spot 83.50p (83.00p); March 82.50p (81.50p); April 84.00p (82.75p).

SOYABEAN MEAL

The London market opened around unchanged on lack of any fresh fundamental news, reports T. G. Roddick. Trading was dull throughout the day and prices remained steady due to weaker sterling to close slightly higher on day.

	Yest'rd'y Close	+ or —	Business Done
	£ per tonne		
February	117.50-19.5	–0.725	—
April	115.40-15.8	+0.15	115.60-15.50
June	115.40-15.5	–0.30	115.60-15.30
August	117.00-17.5	+0.20	117.10
October	116.50-18.9	+0.35	—
December	118.00-19.0	–0.05	—
February	120.50-22.5	+0.25	—

Sales: 26 (111) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £225.00 (£217.00) a tonne cif for Feb.-March shipment. White sugar daily price was £230.00 (£225.50).

The London market had its busiest day ever, with prices moving sharply higher to record gains of up to £26.50. A very active opening and commission house liquidation pushed prices above £250, although these prices were not maintained in the pre-lunch session. Aggressive buying again entered the market during the afternoon and a further advanced of £10.00 was recorded before profit-taking pared some of the gains. The New York market was locked at the permissible 1 cent limit advance from the opening, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
March	250.75-52.50	224.50-25.00	256.50-28.00
May	259.50-58.75	235.25-35.50	265.00-55.50
Aug	265.10-65.25	256.50-36.75	266.50-56.50
Oct	266.00-65.50	267.25-37.50	269.00-37.50

Sales: 18,653 (6,486) lots of 50 tonnes.

LONDON WHITE SUGAR—Close (in order buyer, seller, business, sales). April 240.00, 250.00, 240.00-235.00, 7; July 235.00 buyer, nil, nil; Sept. 240.00 buyer, nil, nil; Nov., Feb., April, July all 245.00 buyer, nil, nil. Sales: 7.

No. 4 CONTRACT—Close (in order buyer, seller only): May 261.0, 261.50; Aug. 264.00, 265.50; Oct. 265.50, 266.50; Jan. 260.05, 260.25; March 266.50, 269.00; May 267.00, 268.00. Sales: 1,487 (117).

Tate and Lyle ex-refinery price for granulated basis white sugar was £318.70 (same) a tonne for home trade and £308.5 (£301.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for February 7: Daily price 21.02 (21.15). 15-day average 19.78 (19.55).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. March 483.0, 485.0, 486.0-476.0, 27; May 506.0, 506.5, 506.0-498.0, 203; July 530.0, 531.0, 531.5-526.0, 425; Oct. 529.0, 530.0, 531.0-525.0, 130; Dec. 529.0, 532.0, 532.0-521.0, 284; March 528.0, 533.0-526.0, 72; May 527.0, 530.0-526.9, 46; July 530.0, 531.0, 532.0-526.0, 36. Sales 1,223.

LONDON NEW ZEALAND CROSS-BREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo. May 397, 399, 399-398, 30; Aug. 412, 413, 413, 3; Oct. 413, 414, 413, 1; Dec. 413, 414, nil, nil; Jan. 412, 415, nil, nil; March 415, 425, nil, nil; May 422, 425, 425, 47; Aug. 425, 430, nil, nil. Sales: 81.

AMERICAN MARKETS

NEW YORK, February 8.

SUGAR WAS limit bid in reaction to Cuban sugar crop difficulties. The livestock complex finished higher on slowed marketings due to a winter storm. Coffee did not sustain its earlier highs as producer support was removed from the market. Cocoa also lost its earlier strength. Gold and silver continue to be affected by international uncertainties. Copper was limit bid on strength in precious metals. Cotton remained strong on expectations of good export commitments. Maize, wheat and soyabeans were lower in thin trade on a small amount of hedge pressure, reported Heinold.

Copper—Feb. 135.50-135.90 (130.10), March 136.70 (131.70), April 137.55, May 138.40, July 139.20, Sept. 139.80, Dec. 140.40, Jan. 140.70, March 141.20, May 141.70, July 142.20, Sept. 142.70, Dec. 143.40. Sales: 6,500.

Potatoes (round whites)—March 57.6 (58.2), April 61.0 (61.1), May 71.1-71.3, Nov. 76.0-76.8. Sales: 720.

¶Silver—Feb. 3700.0-3750.0 (3650.0), March 3775.0 (3670.0), April 3800.0, May 3825.0, July 3865.0, Sept. 3910.0, Dec. 3964.5, Jan. 3983.0, March 4021.0, May 4059.0, July 4097.0, Sept. 4135.0, Dec. 4189.0. Sales: 2,015. Handy and Harman bullion spot 3800.00 (3600.00).

Tin—790.00-795.00 asked (790.00-799.00).

CHICAGO, February 8.

Lard—Chicago loose 20.50 asked (21.50-21.00). New York prime steam unavailable.

Live Cattle—Feb. 69.00-68.90 (68.22), April 72.10-72.25 (71.17), June 74.80-74.70, Aug. 74.27-74.00, Oct. 72.75-72.90, Dec. 73.75-73.90, Feb. 74.05.

Live Hogs—Feb. 39.70-39.75 (39.22), April 39.20-39.50 (38.65), June 42.77-42.95, July 43.85-43.90, Aug. 43.20, Oct. 42.60, Dec. 45.45-45.50, Feb. 46.40, April 45.62.

‡‡Maize—March 275-274¾ (275½), May 287¾-287½ (288½), July 296¾-296½, Sept. 303¾-303½, Dec. 310¾-310½, March 321½.

Pork Bellies—Feb. 41.70-41.85 (40.90), March 42.00-41.80 (41.30), May 43.55-43.45, July 44.90-45.00, Aug. 44.67-44.50, Feb. 52.40, March 52.90, May

Silver—Feb. 3790.0 (3650.0), March 3790.0 (3670.0), April 3810.0, June 3860.0, Aug. 3901.0, Oct. 3942.0, Dec. 3983.0, Feb. 4024.0, April 4065.0, June 4106.0, Aug. 4150.0, Oct. 4196.0, Dec. 4238.0, Feb. 4280.0, April 4322.0, June 4364.0, Aug. 4406.0.

‡Soyabeans—March 675½-674½ (679), May 968-697½ (702), July 719, Aug. 727½-727, Sept. 733½, Nov. 742½-743½, Jan. 760, March 777.

‖Soyabean Meal—March 184.20-183.50 (185.50), May 189.60-189.30 (190.80), July 195.40-195.30, Aug. 197.50-197.30, Sept. 200.00, Oct. 202.50-202.30, Dec. 206.50, Jan. 208.00-208.20, March 213.00.

Soyabean Oil—March 24.33-24.31 (24.63), May 24.93-24.90 (25.18), July 25.36, Aug. 25.60, Sept. 25.85, Oct. 26.06, Dec. 26.35-26.33, Jan. 26.35, March 26.60, May 26.85.

†Wheat—March 457-456 (457½), May 468½-469 (472¼), July 475-475½, Sept. 458, Dec. 505, March 517.

WINNIPEG, February 8. §Barley—March 112.70 (113.10), May 114.20 (114.40), July 113.30, Oct. 109.50, Dec. 109.00.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 237.15 (237.95).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq ft. ‡ Cents per dozen.

INDICES

FINANCIAL TIMES

Feb. 7	Feb. 6	M'nth ago	Year ago
309.06	309.91	285.41	267.00

(Base: July 1, 1952=100)

MOODY'S

Feb. 7	Feb. 6	M'nth ago	Year ago
1461.0	1490.9	1347.2	1024.5

(December 31, 1931=100)

DOW JONES

Dow Jones	Feb. 7	Feb. 6	Month ago	Year ago
Spot	452.34	450.71	411.47	379.17
F'tur's	458.72	459.95	419.55	377.85

(Average 1924-25-26=100)

REUTERS

Feb. 8	Feb. 7	M'nth ago	Year ago
1839.2	1828.6	1683.4	1531.0

(Base: September 18, 1931=100)

COTTON

LIVERPOOL—Spot and shipment sales amounted to 221 tonnes, bringing the total for the week to 1,121 tonnes against 2,862 tonnes in the previous week. Considering the high cost of the raw materials, further transactions were again arranged. Dealings were mainly in American-type varieties with United States staple attracting most attention.

★

GRIMSBY FISH—Supply: moderate; demand: fair. Prices at ship's side (unprocessed) per stone. Shell cod £3.80-£4.50, codlings £2.20-£2.80; Large haddock £3.80-£4.60, medium £3.70-£4.20, small £3.00-£3.50. Medium plaice £3.80, best small £3.00-£3.20. Skinned dogfish (large) £7.00, (medium) £6.50. Rockfish £2.80-£3.00. Saithe £2.80-£3.00.

Stock Exchange dealings

Thursday, February 7	22,393
Wednesday, February 6	20,496
Tuesday, February 5	19,157
Monday, February 4	19,899
Friday, February 1	19,260
Thursday, January 31	21,294

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days; these are distinguished by the dates shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ *Bargains at Special Prices.* Δ *Bargains done with or between non-members.* ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." SA—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (483)

CORPORATIONS (21)

SHORT DATED BONDS FREE OF STAMP DUTY

PUBLIC BOARDS (11)

COMMONWLTH. GOVTS. (3)

FOREIGN STOCKS (21)

STERLING FOREIGN CURRENCY BONDS

CORPORATION STOCKS—FOREIGN

BANKS (117)

BREWERIES (97)

COMMERCIAL (1,915)

A—B

C—D

E—F

G—H

I—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

GAS (9)

INSURANCE (86)

INVESTMENT TRUSTS (109)

Brockhouse (25p) 51
Brocks Grp. of Companies (10p) 88 90
Broken Hill Prop. ($A2) 660 5

Finlay (James) (25p) 840 6
Finlay Packaging (5p) 18 (4/2)
Firmin. Sons (25p) 72 (1/2)

Yarrow (50p) 334 (4/2)
York Trailer Hldgs. (10p) 36 (6/2). 10pcPf. 90 (1/2)

ELECTRIC LIGHTING AND POWER

Brascan Class A n905 (5/2)

FINANCIAL TRUSTS (74)

Akroyd, Smithers (25p) 345
Anglo-African Finance (7½p) 20⊕
Armour Trust (10p) 13⊕
Bishopsgate Prop., Invst. 4½⊕ ½
Boustead (10p) 58
Bridgewater Estates (50p) 354 5 (1/2)
Britannia Arrow Hldgs. (25p) 24½ 5 4
Charterhouse Gp. (25p) 72⊕ 70⊕ 3 2
City of Aberdeen Land Assoc. (50p) 235 6 (5/2)
Compagnie Financiere de Suez £29¼ (5/2)
Corinthian Hldgs. (10p) 34½

Scottish Mortgage (25p) 109½ 10½
Scottish National (25p) 152
Scottish Northern (25p) 76 7¼ (6/2). 5pc Db. Red. 22¼ (5/2)
Scottish Ontario (25p) 60½ 59½ (4/2)
Scottish United (25p) 63½
Second Alliance (25p) 168½ 8 (6/2)
Securities Tst. Scotland (25p) 85½ 5 (4/2)
Sphere Inv. (25p) 111½ (6/2)
Sterling Tst. (25p) 170 (1/2)
Technology Inv. (25p) 101 (4/2)
Temple Bar Inv. (25p) 105½
Throgmorton Sec. Gwth. (25p) 27 (4/2)
Throgmorton Tst. (25p) 93
Tor Inv. Inc. (25p) 91½ (5/2). Cap. (25p) 99 (5/2). 6pcPf. 48 (5/2)
Tribune Inv. (25p) 66 (6/2)
Triplevest Inc. (50p) 65 (6/2). Cap. 176 5 (6/2)
Trustees Corp. (25p) 54½⊕ 7
Tyneside Inv. (25p) 140 (1/2)
United British Secs. (25p) 123
United States Gen. Tst. (25p) 186⊕
United States Db (25p) 87½ 7
Viking Res. (25p) 166 9
Wemyss Inv. 275

Richards lands £12m support ship order

BY WILLIAM HALL, SHIPPING CORRESPONDENT

A PRIVATE British shipbuilder, Richards of Lowestoft, has won a £12m order for an emergency support vessel for BP. The order was won in the face of fierce competition from British Shipbuilders and Scandinavian yards. Interestingly, it was also won without the help of State subsidies.

Richards operates two yards in Lowestoft and Great Yarmouth employing 400 people, and is part of the Tate and Lyle group. Tate and Lyle's chairman, Earl Jellicoe, complained in his last statement about the tendency of the nationalised UK shipbuilding industry to gain work for its smaller yards at cut prices bearing little relation to any acceptable financial return. The nationalised industry has access to subsidies of up to 25 per cent of the cost of each vessel.

BP has exchanged letters of intent for the construction of a 2,700 dwt support vessel for the Magnus field in the North Sea.

The ship's primary role will be life-saving, fire and pollution control. She will be equipped with four fire monitors and pollution control systems including spray booms.

The ship will also be able to operate remotely-controlled sea-bed vehicles for inspection of platforms, pipelines and satellite wells.

The letter of intent stipulates that a formal contract must be signed by the end of April. If successful, the deal will provide two years' employment for the entire Richard's workforce.

The ship is the fourth in a series of special support vessels that BP has begun to put into service in the North Sea. A £60m emergency support vessel (ESV) for BP's Forties field is being built in Glasgow and a £40m ESV has just been completed in Japan. These two ships will cope with most emergencies. Both are semi-submersible, twin-pontoon rigs with diesel electric propulsion.

BP denies charges of sanctions-busting

PRESS suggestions that BP admitted charges of sanctions busting in Rhodesia and would settle a multi-million pound claim brought against it by Lonrho, the multi-national conglomerate, were rejected by counsel for BP in the Appeal Court in London yesterday.

Mr. Robert Alexander, QC, told Lord Denning (Master of the Rolls), and two other appeal judges, that for a number of years serious charges had been made suggesting that BP had been a party to sanctions busting.

Those charges were being repeated in arbitration proceedings to resolve Lonrho's claim against BP and Shell, due to begin later this year.

Mr. Alexander was opposing Lonrho's challenge to a High Court judge's refusal last week to order Shell and BP to disclose, in the arbitration, documents belonging to their subsidiaries. Lonrho asserts that the documents are crucial to its claim.

The two oil companies contend that they have no power to compel their subsidiaries in Rhodesia, South Africa and Mozambique to produce the documents.

They also say that legislation in Rhodesia and South Africa prohibits the disclosure of strategic information to people outside those countries.

Mr. Alexander said Shell and BP expressly denied Lonrho's allegation that the oil companies had broken a 1962 contract to which they and Lonrho and others were parties.

The contract provided for Lonrho to build a pipeline from Beira in Mozambique to Rhodesia, and for all oil supplies for Rhodesia to be carried through that pipeline.

In the pending arbitration, Lonrho alleges breaches of the agreement and a conspiracy between the oil companies and the illegal Rhodesian Government to ensure the success of UDI by the continued supply of oil by means other than the Lonrho pipeline.

The hearing continues on Monday.

Ballot on recognition

BY ALAN PIKE, LABOUR CORRESPONDENT

MEMBERS of the Engineers and Managers Association at British Aerospace's Warton locatio nare to ballot on industrial action over recognition of their union.

The ballot will begin next week and will be completed within a fortnight. Union leaders expect strong support for industrial action, which is likely to take the form of one-day or half-day strikes.

Mr. Andrew Askew, EMA senior negotiating officer, said after a meeting of members at Warton that he had never seen the union's members, all senior engineers and managers, "so angry at the refusal of the British Aerospace board to deal with this matter properly."

The EMA, which now has an aerospace association among its divisions is seeking recognition within British Aerospace. But it has met complications at Warton, where the divisional management last year entered into an agreement with TASS, the white collar section of the Amalgamated Union of Engineering Workers

Under this the management agreed not to recognise any other organisation outside the Confederation of Shipbuilding and Engineering Unions.

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979-80 high	1979-80 low
Premier Cons. ...	5p	13	80	+11½	87	4½
Cons. Gold Fields	25p	11	500	+ 3	513	178
BP	25p	10	390	—	406	220½
Decca A	25p	9	440	+15	440	230
LASMO	25p	9	506	+ 6	506	124
Shell Transport	25p	9	374	+ 8	402	278
GEC	25p	8	373	+ 3	456	311
BAT Inds.	25p	7	260	—	362	230
Debenhams	25p	7	88	− 1	98	59
ICI	£1	7	384	− 2	415	314
Lonrho	25p	7	102	+ 1	109	62
Metal Box	£1	7	248	− 6	358	220
Western Mining	SA0.50	7	248	+ 5	248	121
Midland Bank ...	£1	6	362	−10	455	314
Racal Electronics	25p	6	215	− 1	276	168½

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1979-80 high	1979-80 low
Cons. Gold Fields	25p	57	500	+22	513	178
LASMO	25p	55	506	+93	506	124
GEC	25p	45	373	+24	436	311
Decca A	25p	42	440	+102	440	230
Racal Electronics	25p	41	215	−11	276	168½
Shell Transport	25p	39	374	+28	402	278
RTZ	25p	38	423	+15	423	226
ICI	£1	37	384	+ 9	415	314
Premier Cons. ...	5p	36	80	+18½	87	4½
Imp. Cont. Gas ...	£1	35	748	+50	748	356
BP	25p	34	390	+32	406	220½
CompAir	25p	33	78½	+ 5½	87	52
BAT Inds.	25p	32	260	+ 2	362	230
De Beers Defd. ...	R0.05	32	497	+19	500	332
Barclays Bank ...	£1	31	430	+ 2	514	380

هكذا من الأصل

UNIT TRUSTS (6)

MINES

Australian (25)

Miscellaneous (98)

Rhodesian (11)

South African (104)

...
Unisel Gold Mines 460 (1/2)
Vaal Reefs Exploration and Mining (R0.50) £29¼⌀ US$68¼
Venterspost Gold Mining (R1) US$16 (6/2)
Vlakfontein Gold Mining (R0.80) US$3.75⌀ p155⌀ 63
Welkom Gold Mining (R0.50) 675⌀ 93
W. Driefontein Gold Mining (R1) US$84⌀ 3½ p3635
Western Areas Gold Mining (R1) p402⌀ US$9—¼ 9.40 p392
Western Deep Levels (R2) U.S.$43 ¼
Western Hldgs. (R0.50) U.S.$65⌀
Winkelhaak Mines (R1) U.S.$31 (5/2)

West African

Diamond (25)

OIL (284)

PROPERTY (86)

...
14pcLn. 93
Trafford Park Estates (25p) 130 (1/2)
United Kingdom Prop. 8½pcLn. 58½ (1/2)
Warner Estate Hldgs. (25p) 208 (5/2) 10¼pcPf. 97 (4/2)
Webb (Joseph) (5p) 17¼ 17 (6/2)
Westminster, Country Prop. (25p) 35
Westminster Prop. Grp. (20p) 38⌀

RUBBER (30)

Aberfoyle Plantations (5p) 13½ (6/2)
Anglo-Indonesian Corpn. (25p) 133 (5/2)
Barlow Hldgs. (10p) 119 20 18 21
Beradin Rubber Estates (5p) 128 (4/2)

UK RAILWAYS (1)

FOREIGN RAILWAYS (2)

SHIPPING (33)

TEA (3)

CANALS AND DOCKS

WATERWORKS (3)

SPECIAL LIST

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

FEBRUARY 8

...
Haw Par 40
Hamersley Hldgs. 202
Jardine Matheson 161 2
Jardine Secs. 80⌀
Kitchener Mining 39⌀
Kulim Malaysia 53⌀ ½⌀ 4½⌀ 4 3½
MIM Hldgs. 295⌀ 9 6
Mount Carrington 113⌀
Malaysian Plantations 61⌀
Metal Ex. 67⌀ 4
Memorex 760
North Broken Hill 167⌀ 7 83 65 72
New Mart Mining 25
Nicholas Int. 71
Oil Min. 112⌀
Otter Ex. 100‡⌀ 3⌀ 4⌀ 10⌀ 13⌀ 29 39 8 5
Offshore Oil 15⌀ ¼⌀ 16¼
Oil Search 17¼
Oil and Mineral Quest 20
Pancontinental 450⌀
Pacific Copper 184
Pan Pacific 13
Peabody US$27⅞
Seltrust Z Shs. 128⌀
Swire Props. 49⌀
SASOL 205⌀ 1 2 198
Siemens AG £68½⌀
Samantha Ex. 97‡⌀ 5⌀ 6⌀ 9⌀ 110 11 14‡ 8
Southern Pacific Pets. 790⌀ 810⌀ 70 60 90
Sabina Inds. 54‡ 5¼‡
Safeway £15¾
Sherwin Williams US$32⅞
Seltrust A Shs. 212 10
Target Pets. 13 14‡
Wodside Pets. 135‡⌀ 3⌀ 5⌀ 6⌀ 8⌀ 6½⌀ 5½ 5 7 6
Whim Creek 84
Wheelock Marden 8 4

FEBRUARY 7

Aetria Life £15⅝
Australian Cons. Minerals 15⌀ 13‡ 17
Bougainville Copper 198⌀ 201⌀ 195½⌀ 200 1½ 199 212 17 14

FEBRUARY 6

FEBRUARY 5

FEBRUARY 4

FEBRUARY 1

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

FEBRUARY 7

...
Commercial Bank of Wales 95 3 90
Cunninghams Thwaites 4½pcPf. 60 55
Deltenne 12½
Edinburgh Sec. 133 2½ 2
Flight Spares 82 80
Galaha Ceylon Tea Est. 14 13½
GRA Prop. Trust 13 12¼ ½ 12
Hall Bros. Steamship 160 56 50
Hall Bros. Steamship A 155 2 50 160 158
Instant Starter Eng. 1
Kellock 102
Kellock Cnv. 102 100
Kellock (2nd Series) 93
Maddock 7 6½ 6 5½ 5
Mainline Electronic 6½

FEBRUARY 5

...
New Court Natural Resources 41 40 39
Norton Villiers Triumph 2½ 2
Petroleum Royalties Ireland 210*
Plymouth Hotel 130
Quest Automation 110 7 5
Southern Newspapers 192 90
Star Offshore Services 26½ 24
Swan Hunter Grp. 4¼ 4½
Tom Hill 17
Twinlock 12pcLn. 1976/99 £75

FEBRUARY 4

Applied Computer Techniques 298 1 90
Aran Energy 306 4 298 4 2 90 88 6 4 2 80 78 325* 15* 300*

FEBRUARY 1

...
Dawson (William) 57 75
Bridgwater Inv. Trust 10½ ½
British Cargo Airlines 55 53
Bio-Kil Chemicals New 89
Deltenne 12½ ¼
Dimbula Valley (Ceylon) Tea 170
Dollar Land 24
Edinburgh Sec. 134 33
Fuller Smith Turner A 395
GRA Prop. Trust 13 12½ 10
Hall Bros. Steamship 140
Kessel Trust New 9½
Kellock Ord. 102 98 7
Kellock Cnv. Irrd. (2nd Series) 102 97 5
Le Riches Stores 250 30½
Lifeguard Assurance 79

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

FEBRUARY 7

FEBRUARY 6

FEBRUARY 5

FEBRUARY 4

...
Cluff Oil New 255 50
Gas and Oil Acreage 350
Siebens Oil and Gas (UK) 674 2 66 4 56 4 50
Viking Oil 750 45

FEBRUARY 1

CCP North Sea Associates 310 8 3 297 5
Cluff Oil 269 55
Siebens Oil and Gas (UK) 656 2 50 48 4 5 2 44 33
Viking Oil 740 35 5 3 30

(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Alyn and Deeside (0244 531212)	15½	½-year	5,000	1
Barnsley (0226 203232)	14⅝	½-year	1,000	2
Knowsley (051-548 6555)	15½	½-year	1,000	1
Redbridge (01-478 3020)	15	½-year	1,000	1
Redbridge (01-478 3020)	14⅝	½-year	200	2-3
Redbridge (01-478 3020)	14	½-year	200	5-6

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %	
Abbey National	10.25	10.50	11.75	12.50	5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Aid to Thrift	*10.85*	*11.37*	—	—	
Alliance	10.25	10.50	11.75	12.50	5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Anglia Hastings and Thanet	10.25	10.50	11.75	12.50	5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bradford and Bingley	10.25	10.50	11.75	11.25	one month's notice deposit
Bridgwater	10.25	10.50	12.00	12.50	5 yrs., 12.00 4 yrs., 11.60 2½ yrs.
Bristol and West	10.25	10.50	11.75	—	
Bristol Economic	10.25	10.50	11.75	*10.75*	3 months
Britannia	10.25	10.50	11.75	12.50	5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Burnley	10.25	10.50	11.75	12.50	5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cardiff	10.50	11.50	12.50	—	
Catholic	10.05	10.75	11.65	—	10.95 over £5,000
Chelsea	10.25	10.50	11.75	12.50	5 yrs., 12.00 4 yrs., 11.55 6 mths.
Cheltenham and Gloucester	10.25	10.50	11.75	12.50	5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	11.50	—	—	Premium shares including 1.00 bonus p.a. (£15,000 only)
Citizens Regency	10.25	10.85	12.05	12.85	5 yrs., 12.35 4 yrs., 11.85 3 yrs.
City of *London (The)*	*10.50*	10.80	11.80	11.85	3-yr. withdrbl. increment share
Coventry Economic	10.25	10.50	11.75	12.00	4 yrs., 11.50 3 yrs., 11.25 3 mt nt
Coventry Provident	10.25	10.50	12.50	12.00	4 yrs., 11.75 3 yrs., 11.25 2 yrs.
Derbyshire	10.25	10.50	11.75	11.01	3 months' notice
Ealing and Acton	10.25	11.00	—	11.65	2 years, £2,000 minimum
Gateway	10.25	10.50	11.75	12.50	5 yrs. 12.00 4 yrs., 11.50 3 yrs.
Greenwich	—	10.75	12.00	12.75	5 yrs., 12.25 4 yrs., 11.75 3 years
Guardian	10.25	10.75	—	11.75	3 months, £1,000 minimum
Halifax	10.25	10.50	11.75	12.50	5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	20.25	10.50	11.75	12.50	5 years, 11.00 3 months' notice
Hearts of Oak and Enfield	10.25	10.75	12.25	12.00	4 yrs., 11.75 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00	6 months, minimum £2,000
Huddersfield and Bradford	10.25	10.50	11.75	12.50	5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.75	12.00	11.55	3 months' notice, *£250-£10,000*
Leamington Spa	10.35	10.60	14.19	12.55	5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.75	12.50	5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Leicester	10.25	10.50	11.75	12.50	5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	10.25	10.50	11.95	12.50	5 years, minimum £1,000
London Goldhawk	10.25	10.75	12.00	11.75	3 yrs., 11.50 2 yrs., 11.25 1 yr.
Melton Mowbray	10.35	10.60	11.75	12.10	4 yrs., *11.35* 2 yrs.
Mornington	10.75	11.25	—	—	
National Counties	10.50	10.80	11.80	11.90	6 mth., 11.25 3 mth., min. £1,000
Nationwide	10.20	10.50	11.75	12.50	5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Newcastle Permanent	10.25	10.50	11.80	12.50	4 yrs., 11.80 3 yrs., 11.50 2 yrs.
New Cross	11.00	11.25	—	—	
Northern Rock	10.25	10.50	11.75	12.50	5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	12.00	11.50	3 yrs., 11.25 2 yrs., min. £500
Paddington	10.00	11.00	12.50	11.75	6 months, 11.50 3 months
Peckham Mutual	10.50	11.25	—	—	
Portman	10.25	10.50	11.75	12.50	5 yrs., 11.55 6 months' notice
Principality	10.25	10.50	11.75	12.50	5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Property Owners	10.25	11.00	12.25	11.55	3 months
Provincial	10.25	10.50	11.75	12.50	5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50	5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Sussex County	10.50	10.75	12.55	12.55	5 yrs., 12.15 4 yrs., 11.75 3 yrs.
Sussex Mutual	10.50	10.85	12.50	11.25-13.10	all with special options
Town *and* Country	10.25	10.50	11.75	12.50	5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstow	10.25	10.60	11.70	12.80	5 yrs., 11.6 6 mth. not. min. £500
Wessex	10.50	11.20	—	12.20	6 mths. not. WDL. min. 3 yrs.
Woolwich	10.25	10.50	11.75	12.50	5 yrs., 12.00 4 yrs., 11.50 3 yrs.

*Rates normally variable in line with changes in ordinary share rates.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

UK MONEY MARKET

***Bank of England Minimum* Lending Rate 17 per cent (since November 15, 1979)**

The Treasury bill rate fell by *0.0117 per cent at yesterday's* tender to 16.1741 per cent, and the minimum accepted bid rose to £95.96 from £95.94. Bids at *that level* were met as to about 21 per cent and above in full. The £300m bills on offer attracted bids of £852.165m, and all bills offered were allotted. Next week a further £300m will be on offer, replacing a similar amount of maturities.

Day to day credit remained in short supply in the money market, and the authorities gave a moderate amount of assistance. *This comprised small purchases* of Treasury bills direct from the discount houses, and a small number of eligible bank bills, the *latter being for resale at a fixed* future date. The help was made up with small lendings to 6 or 7 houses at MLR, for repayment on Monday.

The market was faced with the repayment of Thursday's small overnight lending, and a small net take up of Treasury bills to finance. Banks brought forward balances a moderate way below *target,* and there was a small increase in the note circulation.

Rates in the table below are nominal in some cases.

THE POUND SPOT AND FORWARD

Feb. 8	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2925-2.3110	2.2980-2.2990	0.75-0.65c pm	3.65	1.80-1.70 pm	3.04
Canada	2.6580-2.6785	2.6630-2.6640	0.85-0.75c pm	3.60	2.42-2.32 pm	3.56
Nethlnd.	4.40-4.44	4.40¾-4.41¾	2⅛-1⅝c pm	5.78	7-6 pm	5.89
Belgium	64.75-65.30	64.95-65.05	18-8c pm	2.40	45-35 pm	2.46
Denmark	12.48½-12.56½	12.52-12.53	1¾-3¾ore dis	−2.63	6¾-8¾ dis	−2.47
Ireland	1.0775-1.0865	1.0810-1.0820	0.03-0.13p dis	−0.89	0.17-0.27dis	−0.81
W. Ger.	3.98½-4.02½	3.99½-4.00½	3½-2½pf pm	8.00	9½-8½ pm	8.75
Portugal	115.00-116.00	115.10-115.30	par-50c dis	−2.60	par-100 dis	−1.74
Spain	*152.00-153.10*	*152.35-152.45*	*par-50c dis*	−1.97	70-170 dis	−3.15
Italy	1,850-1,864	1,854½-1,855½	¼ lire pm-1¼ dis	−0.16	7¾-9¾ dis	−1.89
Norway	11.16-11.26	11.19¾-11.20¾	6-4ore pm	5.36	17¼-15¾ pm	5.80
France	9.35-9.41	9.36½-9.37½	4¾-3¾c pm	5.44	11½-10½ pm	4.69
Sweden	9.50½-9.60½	9.53½-9.54½	3¼-1¼ore pm	2.83	7½-5½ pm	2.72
Japan	550-560	555-556	4.60-4.30y pm	*9.61*	*12.10-11.80*	*8.60*
Austria	28.63-28.85	28.72-28.77	25-15gro pm	8.35	65-55 pm	8.35
Switz.	3.71-3.75	3.71½-3.72½	4½-3½c pm	11.69	11½-10½ pm	11.83

Belgian rate is for convertible francs. Financial franc 66.35-66.45

Six-month forward dollar 2.85-2.75c pm. 12-month 4.15-4.05c pm.

EXCHANGES AND BULLION

Sterling lost a little ground in currency markets yesterday in generally quiet pre-weekend trading. On Bank of England *figures, its index fell to* 72.8 from 72.9, having stood at 73.0 at noon and in the morning. The pound was affected to a certain *extent by news of a breakdown* in the steel talks, but dealers were reluctant to cite this as a major market factor at the moment. *Against the dollar,* sterling opened at $2.3025 and rose to $2.3100 in the morning before coming back to $2.3025 around *lunch.* After the break up in the steel talks, sterling was marked down to $2.2925, but recovered later in the day to close at $2.2980-2.2990, a loss of just 15 points from Thursday's close.

The dollar looked firmer against most currencies during the morning, but finished largely unchanged from Thursday's levels. *Against the D-mark it* was quoted at DM 1.7390, compared with DM 1.7395, and SwFr 1.6175 from SwFr 1.6170 in *terms of the Swiss franc.* The Japanese yen was slightly weaker, with the dollar rising to Y241.70 from Y240.10. On Bank *of England figures, its trade* weighted index rose from 84.9 to 85.1.

GOLD

	February 8		February 7	
Gold Bullion (fine ounce)				
Close	$695-700	(£302.4-304.55)	$695-700	(£302-304)
Opening	$688-693	(£298.75-300.90)	$712-717	(£308-310)
Morning fixing	$688.50	(£298.401)	$704	(£305.119)
Afternoon fixing	$692	(£300.830)	$699.25	(£303.084)
Gold Coins				
Krugerrand	$698-703	(£304-307)	$691-696	(£302-306)
Mapleleaf	$692-703	(£304-307)	$692-698	(£302-306)
New Sovereigns	$170-173	(£74-76)	$172-174	(£73-75)
King Sovs	$174-178	(£75½-78½)	$174-179	(£73-77)
Victoria Sovs	$175-178	(£76-79)	$175-182	(£75-80)
Fr 20 Napoleon	FFr 695-705	(SFr255-265)	FFr705-715	(SFr250-260)
50 pesos Mexico	$850-860		$875-885	
100 Cor. Austria	$665-675		$670-680	
$20 Eagles	$800-810		$805-815	
$10 Eagles	—		—	
$5 Eagles	—		—	

EXCHANGE CROSS RATES

Feb. 8	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.299	4.000	555.5	9.370	3.720	4.413	1866.	2.664	64.00
U.S. Dollar	0.435	1.	1.740	241.7	4.077	1.618	1.920	807.0	1.159	28.28
Deutschemark	*0.250*	*0.575*	1.	138.9	2.343	0.930	1.103	463.8	0.666	16.25
Japanese Yen 1,000	1.800	4.138	7.201	1000.	16.87	6.697	7.943	3359.	4.795	117.0
French Franc 10	1.067	2.453	4.269	592.8	10.	3.970	4.709	1980.	2.843	69.37
Swiss Franc	0.269	0.618	1.075	149.3	2.519	1.	1.186	498.7	0.716	17.47
Dutch Guilder	0.227	0.521	0.907	125.9	2.124	0.843	1.	420.4	0.604	14.73
Italian Lira, 1,000	0.539	1.239	2.156	299.5	5.051	2.005	2.379	1000.	1.436	35.04
Canadian Dollar	0.375	0.863	1.502	208.6	3.518	1.397	1.657	696.5	1.	24.40
Belgian Franc 100	1.538	3.536	*6.154*	*854.6*	*14.42*	*5.723*	*6.788*	2854.	4.098	100.

LONDON MONEY RATES

Feb. 8 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ⌀	Eligible Bank Bills ⌀	Fine Trade Bills ⌀
Overnight	—	16¾-22	—	—	—	17¼-17½	16½-17	—	—	—
2 days notice	—	—	17⅝	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	17¼-17⅝	17¾-17⅞	—	17¾	17⅛-17¾	16¾-16⅞	—	—	—
One month	17⅝-17½	17½-17⅝	17⅝	12⅞-13⅛	17¼	17⅞	16¾	15[illegible]-15[illegible]	17¾-13[illegible]	18⅛
Two months	17[illegible]-17½	17½-17⅝	—	18½-18	17⅞	—	16½-16⅝	16[illegible]-16[illegible]	17½-17[illegible]	18
Three months	17[illegible]-17½	17[illegible]-17[illegible]	17⅝-17¾	18⅛-17⅝	18	17[illegible]-18	16⅜-16½	16[illegible]-16[illegible]	17¼	17¾
Six months	16[illegible]-16[illegible]	16¾-16⅞	16⅝-16⅞	16⅞-16⅝	16⅞	17¾	—	—	15[illegible]-16	16⅝
Nine months	16-16⅞	16-16⅛	—	16⅝-16¼	16½	—	—	—	—	—
One Year	15¾-15⅝	15¾-15⅞	16⅛-16½	16⅛-15¾	16⅝	—	—	—	—	—
Two years	—	—	15¾-15⅞	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. * Long-term local authority mortgage rates nominally three years 15⅝-15¾ per cent; four years 15½-15¾ per cent, five years 15⅝ per cent ⌀ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 16¾ per cent; four-month trade bills 17¾ per cent.

Approximate selling rates for one-month Treasury bills 15[illegible]-15[illegible] per cent; two-months 15[illegible]-16[illegible] per cent; three-months 16[illegible]-16[illegible] per cent. Approximate selling rate for one-month bank bills 17[illegible]-17[illegible] per cent: two-months 17[illegible]-17[illegible] per cent; three-months 17[illegible] per cent; one-month trade bills 17⅞ per cent; two-months 17¾ per cent and three-months 17½ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 17 per cent from February 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 16.1741 per cent.

CURRENCY MOVEMENTS

Feb. 8	Bank of England Index	Morgan Guaranty changes %
Sterling	72.8	−33.5
U.S. dollar	85.1	−8.2
Canadian dollar	81.6	−16.4
Austrian schilling	157.5	+24.1
Belgian franc	115.3	+15.4
Danish kroner	108.2	−3.5
Deutsche mark	157.8	+46.1
Swiss franc	200.7	+80.0
Guilder	125.8	+20.0
French franc	102.0	−5.8
Lira	55.2	−49.6
Yen	116.8	+15.7

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 13.90-14.00 per cent; three-months 14.10-14.20 per cent; six-months 14.25-14.35 per cent; one year 13.90-14.00 per cent.

Feb. 8	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	N/A	13-13¼	12½-13½	11-11¼	⅛-⅜	7⅜-7½	11⅞-12⅛	13-16	—	5¾-10[illegible]
7 days' notice	N/A	15⅛-15⅝	12½-13½	11-11¼	1⅛-1⅜	7[illegible]-7[illegible]	11⅞-12⅛	15-18	13¼-11⅜	6⅝-7⅞
Month	17½-17⅞	13[illegible]-14[illegible]	13⅛-13½	11¼-11½	4[illegible]-4[illegible]	8¼-8⅜	12-12½	17-19	13[illegible]-14[illegible]	7[illegible]-8⅛
Three months	17½-17⅞	14¼-14½	13[illegible]-13[illegible]	11⅜-11⅝	5⅛-5¼	8[illegible]-8[illegible]	12⅜-12⅝	18¾-19½	14[illegible]-14[illegible]	8[illegible]-8[illegible]
Six months	17-17⅜	14¼-14½	13⅝-13¾	11⅜-11⅝	5⅜-5½	8[illegible]-8[illegible]	13⅛-13⅜	19-19¾	14[illegible]-14[illegible]	8⅜-8⅝
One year	16¼-16⅝	14[illegible]-14[illegible]	13⅛-13½	11⅜-11⅝	5[illegible]-5[illegible]	9½-9[illegible]	13¼-13½	20-21	14¼-14[illegible]	8[illegible]-8¾

Long-term Eurodollar two years 13¼-13½ per cent; three years 13-13¾ per cent; four years 12¾-13 per cent; five years 12⅝-12⅞ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-day's notice. Asian rates are closing rates in Singapore.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 8	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.5579	+1.93	+1.45	±1.53
Danish Krone	7.72336	7.81398	+1.17	+0.69	±1.64
German D-Mark	2.48208	2.49881	+0.67	+0.19	±1.125
French Franc	5.84700	5.85259	+0.10	−0.38	±1.3557
Dutch Guilder	2.74362	2.75784	+0.52	+0.04	±1.512
Irish Punt	0.668201	0.675847	+1.14	+0.66	±1.668
Italian Lira	1157.79	1157.47	−0.03	−0.03	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER MARKETS

Feb. 8	£	$		£ Note Rates
Argentina Peso	3836-3856	1670-1680	Austria	28.55-28.80
Australia Dollar	2.0730-2.0750	0.9025-0.9030	Belgium	66.15-66.65
Brazil Cruzeiro	100.10-101.10	43.65-44.00	Denmark	12.52-12.59
Finland Markka	8.50-8.51	3.7005-3.7025	France	9.31-9.37
Greek Drachma	88.524-90.617*	38.15-38.35	Germany	3.99-4.015
Hong Kong Dollar	11.15-11.17	4.8580-4.8610	Italy	1865-1960
Iran Rial	n/a	n/a	Japan	554-559
Kuwait Dinar (KD)	0.620-0.630	0.2721-0.2722	Netherlands	4.40-4.43
Luxembourg Frc.	64.95-65.05	28.27-28.29	Norway	11.22-11.29
Malaysia Dollar	4.9876-4.9975	2.1755-2.1765	Portugal	111-115½
New Zealand Dlr.	2.3305-2.3325	1.0155-1.0150	Spain	151¼-158¾
Saudi Arab. Riyal	7.67-7.77	3.3595-3.3602	Sweden	9.56-9.62
Singapore Dollar	4.9400-4.9500	2.1540-2.1550	Switzerland	3.71-3.73
Sth. African Rand	1.8780-1.8500	0.8170-0.8180	United States	2.2945-2.30¼
U.A.E. Dirham	8.55-8.65	3.7425-3.7435	Yugoslavia	49.51

Rate given for Argentina is free rate. * Indication only.

U.K. CONVERTIBLE STOCKS 8/2/80

Statistics provided by data STREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◊ Current
Bank *of* Ireland 10pc Cv. 91-96	1.20	154.00	47.6	77-81	6.6	4.3	−13.8	−14 to −5	*0.0*	*14.0*	7.8	+21.6
British Land 12pc Cv. 2002	7.71	233.00	333.3	80-97	5.2	3.6	− 0.1	− 4 to 12	0.0	91.6	39.2	+39.4
Hanson Trust 6½pc Cv. 88-93	*3.38*	*82.00*	57.1	76-81	8.2	9.1	− 2.4	− 7 to 14	6.0	6.2	0.2	+ 2.6
Slough Estates 10pc Cv. 87-90	5.50	209.00	187.5	78-86	4.8		− 3.1	− 6 to 9	36.5	42.8	2.9	+ 6.0
Slough Estates 8pc Cv. 91-94	24.88	107.00	78.0	80-91	7.5	7.2	19.3	19 to 28	25.6	49.5	26.7	+ 7.4
Thorn Electrical 5pc Cv. 90-94	1.73	88.00	29.1	75-80	5.7	6.3	− 3.7	− 4 to 26	0.0	0.0	0.0	+ 3.7
Ultramar 7pc net R.Cv.Pfd.	12.59	2.24	0.5	76-83	4.5		− 5.4	− 7 to 3	25.3	24.8	− 0.2	+ 5.2
Wilkinson Match 10pc Cv. 84-98	11.10	77.00	40.0	76-83	13.2	13.6	28.3	18 to 41	20.3	28.4	13.6	−14.7

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. *Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent* per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

Steel talks breakdown sends equities into reverse and dampens demand for Gilts—Speculative Oils buoyant

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Jan. 28	Feb. 7	Feb. 8	Feb. 18
Feb. 11	Feb. 21	Feb. 22	Mar. 3
Mar. 3	Mar. 14	Jun. 12	Jun. 23

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

The unexpected breakdown in the resumed steel talks abruptly reversed an attempt by leading equities to press forward for the fourth consecutive day. The news also dampened enthusiasm for Government securities, although this sector maintained a firmer trend throughout the session.

Leading shares began the last day of the current trading Account slowly, despite the continuing battle for Decca following GEC's new offer of cash and/or new Convertible stock. The tempo was beginning to increase following the reappearance of fresh institutional funds which aggravated acute stock shortages when the steel unions walkout was announced.

Dealers took immediate evasive action by lowering prices and the sudden change of sentiment eventually shook out some loose holders. The resultant sales were gladly accepted, however, for they enabled dealers to smoothe some uncomfortably short book positions.

While the market was trying to assess the implications of the steel move, attention was swiftly diverted to the Oil sector. This became very lively on rumours of new discoveries by Tricentrol and Premier, speculation that the former was about to launch a bid for Premier and vague talk of the latter having disposed of its stake in LASMO.

Leading industrials were relegated to the sidelines and most closed with marginal falls after having been a few pence higher. The FT 30-share index attained a fresh inter-day high for 1980 at noon with a rise of 3.0 to 465.9 and, although the close was 1.5 down on the day at 461.4, the index was still 13.6 up on the week.

Partly reflecting the late overnight firmness, Gilt-edged securities opened higher and progressed on fresh demand helped by BL's refusal to reinstate Mr. Derek Robinson. The longer end of the market was particularly good with gains extending to over a point, but these were pared to amounts varying from ⅞ to only ⅛ following the collapse of the steel talks.

Shorter-dated stocks fared similarly and rises here were still being eroded in trade after the official 3.30 close. Low-coupon issues attracted a specialist interest and were firmer than most, while Treasury 14 per cent 1982 rose a point in clean form to 98 xd.

Traded options attracted a total of 719 contracts for a week's daily average of 638, some 200 below the previous week's average. Once again, the more active business was dealt in BP, 177, and Cons. Gold Fields, 127.

Midland down

With the notable exception of Midland, which shed 10 to 362p, after 360p, home banks picked up from a lower start to close at, or near the overnight levels. Among Merchant Banks, Grindlays put on 5 for a two-day gain of 13 to 142p; last year the annual results were announced on February 27. Hambros came in for support and firmed 8 to 332p, while speculative demand lifted Charterhouse 3 to 76p. Bank of New South Wales added 6 to 170p.

Quieter and easier conditions prevailed in Insurances, but closing levels were usually above the worst. Royals, at 340p, gave up most of the previous day's gain of 11, while General Accident shed 4 to 242p. Among Brokers, C. T. Bowring eased 3 to 134p on continuing worries that Marsh McLennan's bid might be referred to the Monopolies Commission.

Breweries and kindred issues finished the Account on a subdued note, drifting a shade easier along with the general trend. Arthur Guinness were an isolated firm spot among the leaders, closing a penny better at 188p in front of Monday's 100 per cent share split. In regional issues, Vaux gained a penny to 148p, while H. P. Bulmer improved 3 to 147p.

Trade in Buildings was again fairly brisk, but price movements were usually limited to a few pence in either direction. Among Contracting and Construction issues, Taylor Woodrow firmed 6 to 362p and Newarthill added 5 to 248p, the latter in a restricted market. Costain Defered improved 4 to 108p and Wimpey a couple of pence to 79p. Small buying in a thin market lifted Ward Holdings 2 to 56p. In Timbers, renewed speculative support was forthcoming for Montague L. Meyer which firmed 2 to 97p, but end-account profit-taking left Phoenix 3 cheaper at 141p. Leyland Paint, at 41p, gave up the previous day's speculative gain of 3, while Manders shed 5 to 145p. Armitage Shanks slipped to 99½p before after hours interest lifted the price to 101p to match the worth of the current offer from Blue Circle, steady at 304p.

Up to 388p in early dealings, ICI dipped to 383p before settling a couple of pence cheaper on balance at 384p. Fisons shed 11 to 274p.

Stores quiet

Leading Stores were quietly mixed. British Home Stores improved 5 more to 275p, but Marks and Spencer, 88p, and Mothercare, 208p lost 2 and 4 respectively. Mail-order issues also tended to lower levels, with GUS A declining 4 to 398p, while Grattan, 94p, and Freemans, 148p both lost around the same amount. Selected DIY counters made headway with A. G. Stanley rising 2 to 80p and Harris Queensway closing 3 better at 168p. Lee Cooper hardened 2 to 267p for a week's rise of 22, but Bolton Textile, 35p, lost the previous day's gain of 3 while Bambers also lacked support and fell 8 to 86p. In Shoes, George Oliver A firmed 4 to 108p and Stylo reached 195p before closing a net 5 down at 180p for a week's rise of 20.

Following GEC's revised offer, Decca moved ahead to close 30 higher at 580p, with the A shares 15 to the god at 440p. GEC's new cash offer is worth 550p for the Ordinary and 450p for the A; an alternative 585p and 480p respectivley in 8¼ per cent Convertible loan stock is available. GEC improved 3 to 373p, but Racal closed a penny easier at 215p the latter announced yesterday that it is considering another offer. Elsewhere in Electricals, Muirhead were in demand at 217p, up 11, while Louis Newmark improved 5 more to 290p. Automated Security were also noteworthy for a rise of 7 to 260p.

Leading Engineers made a bright start, but the break down in the steel talks prompted a downturn and the majority of quotations finished lower on balance. Tubes ended 4 cheaper at 292p, after 298p, and GKN a penny lower at 271p, after 275p. John Brown moved between extremes of 55p and 59p before settling at 56½p, down 2 on balance. Interest in secondary issues appeared to fade after the previous day's revival. Among the scattered movements, 600 Group were noteworthy for a rise of 3 at 64p, while Midland Industries, 100p, and United Engineering, 122p, firmed 5 apiece. Fresh support lifted Amalgamated Power 4 to 76p, but adverse Press mention left Johnson and Firth Brown a penny cheaper at 40p, after 39p.

Avana put on 9 for a two-day gain of 15 to 121p on speculative demand stimulated by Northern Foods' increased stak in the company; the latter, still reflecting the chairman's confident annual statement, added a penny more to 126p. A Press mention directed attention towards Needlers which put on 10 to 53p. Renewed interest was shown in British Sugar which firmed 5 to 144p for a gain on the week of 17.

In Hotels and Caterers, Grand Metropolitan and Trusthouse Forte eased 3 apiece to 130p and 162p respectively, while Ladbroke gave up 5 to 155p.

Cawoods advance

Metal Box, down 6 at 248p, after 258p initially, were particularly unsettled by news of the abortive steel strike talks. Other miscellaneous Industrials, followed a similar pattern, but tended to rally towards the close and some quotations were still slightly harder on balance. Glaxo nded 3 dearer at 485p and Beecham a shade harder at 127p. Elsewhere, Cawoods, still reflecting its stake in Lasmo, featured with a further rise of 16 to 192p. News of the sale of the MV Rudby for around £2m prompted profit-taking in Ropner, which fell to 66p before recovering to settle at 70p, down 2½ on balance. Sothebys were also the subject of profit-taking at 507p, down 8, but British Vita encountered support and put on 6 to 157p, while buyers also showed interest in Sketchley, 5 to the good at 245p. Royal Worcester, 186p, and British Syphon, 53p, improved 4 and 3 respectively.

Motor Distributors ended the Account on a mixed note. Recent speculative favourite Appleyard shed 2 to 83p, while British Car Auction gave up a like amount to 67½p. Caffyns on the other hand, met renewed support and rose 6 to 179p, while Hartwells, 77p, and Godfrey Davis, 141p, added 3 and 5 respectively. Rolls-Royce improved a couple of pence to 66p. In Components, Dunlop closed 2 up at 62p, while Dowty eased a shade to 188p, but the latter still retained a week's gain of 30 following the pleasing first-half results.

International Thomson encountered late support among Newspapers and finished 20 to the good at 454p, the Convertible rose 17 to 452p.

Early gains in Properties were often replaced by modest falls. Land Securities touched 298p before settling a penny cheaper on balance at 295p, while MEPC, at 195p, also finished a penny off, after 197p. Selected secondary issues retained initial gains with Percy Bilton adding 5 to 242p and Fairview Estates firming 7 to 225p. Churchbury Estates advanced 10 to 470p in a limited market.

Speculation in Oils

Encouraged by expectations of a $4 increase in the price of North Sea crude, Oil shares enjoyed one of the most active day's trading for some time. Much of the trade was of a speculative nature. Premier, up 11½ at 80p, after 87p, on talk of a bid from Tricentrol and various other rumours were rife. Tricentrol, on a rumoured oil strike, closed 18 higher at 310p, after 326p. Aran Energy advanced strongly to close 58 to the good at 342p, while Attock rose 14 to 188p and CCP North Sea 17 to 322p. Siebens (UK) jumped 52 to 756p, while Lasmo recorded a more modest rise of 6 at 506p. Burmah also rose 6, to 196p and Ultramar gained 10 to 462p.

Trusts trended firmer throughout with General Investors notable for a gain of 6 at 127p and Gresham House 5 to the good at 160p.

In Shippings, Hunting Gibson put on 12 to 298p on selective support.

In Textiles, Sidlaw closed 8 better for a two-day gain of 12 to 93p on speculative support. Scottish, English and European firmed 4 to 53p, while favourable Press comment prompted penny gains in Shaw Carpets, 27p, and Carpets International, 32p. Nottingham Manufacturing however, shed 2 to 73p; the annual statement is due in the next Account.

Still buoyed by hopes of an offer from Sime Darby, Guthrie rose 10 for a gain on the week of 54 at 767p. Elsewhere among mixed Rubbers, Castlefield shed 4 to 503p, while Bertam dipped 5 to 66p. Malaysia Rubber, at 246p, lost 5 of the previous day's rise of 20, but Harrisons Malaysian Estates, 208p, and Barlow, 122p, put on 3 apiece. Teas also held an irregular appearance. Lunuva firmed 5 to 370p and Assam Investment added a similar amount to 114p, but McLeod Russell, 325p, and Lawrie, 450p fell 5 and 10 respectively.

Australians gain ground

Australians overshadowed the rest of the mining markets as heavy two-way trading developed, recalling memories of the boom days a decade ago. Buying interest was strong, reflecting institutional, private and speculative investment.

Gains spread through the list as London buying extended the price rises apparent in Sydney overnight. The demand mainly came from UK sources, taking in especially the base metals and energy stocks with intense interest in some exploration issues.

Otter Exploration featured with a rise of 37 to 143p and Samantha jumped 14 to 112p. North BH stood out among the established mining houses with an advance of 21 to 185p. Conzinc Riotinto of Australia rose 20 to 318p, while Peko-Wallsend closed 13 up at 478p. Central Pacific gained 1¼ to £23½.

The rise in Australians helped Selection Trust, among London Financials, to harden 8 to 720p. Interest in Consolidated Gold Fields ebbed but after trading for most of the day around 493p, a late flurry allowed the shares to close at 500p for a net fall of 3. Rio Tinto-Zinc, reflecting the strength of the copper market, ended 5 higher at 423p.

Little interest developed in South African Financials, which steadied after drifting for most of the day. Much the same movement took place among Golds. After moving lower, as the bullion price went down, they steadied with the bullion price.

This allowed some gains to appear in the list, but trading was subdued. The Gold Mines Index eased 1.4 to 345.0 for a rise on the week of 11.6. Vaal Reefs were ⅜ firmer at £29⅜ and St Helena gained ¼ to £15¼.

LONDON TRADED OPTIONS

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	325	82	5	—	—	—	—	392p
BP	350	62	12	—	—	—	—	"
BP	375	52	28	—	—	—	—	"
BP	390	—	—	68	36	66	—	"
BP	400	34	96	—	—	—	—	"
Com. Union	140	14	8	21	—	26	—	146p
Cons. Gold	420	99	21	123	9	143	—	475p
Cons. Gold	460	70	21	95	—	118	—	"
Cons. Gold	500	46	22	73	2	96	—	"
Cons. Gold	550	21	52	48	—	72	—	"
Courtaulds	80	4	—	7	25	8	—	77p
Courtaulds	90	2	—	3	5	—	—	"
GEC	360	34	—	50	—	62	2	371p
GEC	390	16	22	33	—	—	—	"
Grand Met.	140	7½	9	14	—	18	—	131p
ICI	300	86	2	—	—	—	—	383p
ICI	350	36	14	56	—	68	—	"
ICI	390	17	49	36	7	46	—	"
Land Secs.	300	20½	30	30	—	41	—	295p
Land Secs.	330	8	5	17	—	—	—	"
Marks & Sp.	100	3	5	6½	—	9½	—	88p
Marks & Sp.	110	2	—	4	2	—	—	"
Shell	300	80	12	—	—	—	—	373p
Shell	350	36	14	48	—	60	—	"
Shell	390	17	66	31	—	—	—	"
Totals			493		86		2	
		February		May		August		
EMI	130	9	2	14	—	—	—	138p
Imperial Gp.	90	¾	—	1½	7	—	—	77p
Racal Elec.	200	16	1	31	12	38	—	213p
Racal Elec.	220	6	17	21	2	27	—	"
RTZ	390	33	57	64	11	85	—	420p
RTZ	420	13	14	42	15	68	—	"
Totals			91		47		—	

FINANCIAL TIMES STOCK INDICES

	Feb. 8	Feb. 7	Feb. 6	Feb. 5	Feb. 4	Feb. 1	A year ago
Government Secs.	66.63	66.05	65.49	65.69	65.95	66.45	64.80
Fixed Interest	67.26	67.06	66.96	67.47	67.46	68.17	66.08
Industrial	461.4	462.9	455.9	447.8	445.7	447.8	450.7
Gold Mines	345.0	346.4	344.8	326.3	333.3	333.4	174.0
Ord. Div. Yield	7.06	7.05	7.17	7.30	7.33	7.30	6.32
Earnings, Yld. % (full)	17.41	17.38	17.68	17.99	18.07	18.00	16.53
P/E Ratio (net) (*)	7.05	7.07	6.98	6.85	6.80	6.82	7.86
Total bargains	26,676	22,393	20,496	19,157	19,899	19,280	—
Equity turnover £m	—	153.92	110.49	85.11	88.41	126.97	95.02
Equity bargains total	—	18,751	15,432	13,826	13,715	15,296	14,967

10 am 463.6. 11 am 463.3. Noon 465.9. 1 pm 460.3. 2 pm 459.8. 3 pm 459.3.

Latest Index 01-248 8026.

*Nil = 6.80.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979/80 High	1979/80 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	63.30 (10/12)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (5/5)	64.06 (15/11)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	406.3 (15/11)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	350.4 (18/1/80)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Feb. 8	Feb. 7
—Daily		
Gilt Edged	125.3	104.0
Industrials	139.2	118.2
Speculative	73.9	75.1
Totals	100.6	83.4
5-d'y A'vr'ge		
Gilt Edged	121.2	116.8
Industrials	121.1	116.1
Speculative	62.1	56.3
Totals	85.1	80.8

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb. 4	Feb. 15	May 8	May 19
Feb. 18	Feb. 29	May 9	Jun. 9
Mar. 3	Mar. 14	Jun. 12	Jun. 23

For rate indications see end of Share Information Service

Call options were dealt in Cons. Gold Fields, Premier Oil, Charterhall, Lonrho, Carless Capel, Bolton Textile, Dunbee-Combex-Marx, Dunlop, Fobel International, Britannia Arrow, Burmah, Bambers, British Benzol, British Borneo, Tricentrol, KCA, National Carbonising, Charter Cons. and William Whittingham. A put was arranged in East Daggafontein, while a double options was done in Cawoods.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri., Feb. 8, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur., Feb. 7 Index No.	Wed., Feb. 6 Index No.	Tues., Feb. 5 Index No.	Mon., Feb. 4 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	241.61	+0.2	18.08	6.48	6.98	241.23	237.31	233.64	231.99	221.44
2	Building Materials (27)	235.01	−0.2	16.89	6.68	7.56	235.49	231.45	227.56	227.04	195.92
3	Contracting, Construction (29)	362.28	+1.2	25.67	6.69	4.82	358.14	355.39	352.69	352.44	328.50
4	Electricals (15)	620.17	+0.5	13.06	4.00	10.21	616.94	608.93	596.50	587.86	522.17
5	Engineering Contractors (11)	293.08	−0.8	25.27	8.73	5.04	295.53	286.96	284.86	285.42	340.32
6	Mechanical Engineering (74)	167.02	—	20.62	7.85	6.02	166.97	164.10	161.86	160.72	172.73
8	Metals and Metal Forming (16)	165.23	−0.4	20.60	9.19	5.80	165.95	161.84	159.95	159.54	154.43
11	CONSUMER GOODS (DURABLE) (50)	218.09	+0.4	16.39	5.61	7.53	217.25	214.71	212.43	213.44	197.01
12	Lt. Electronics, Radio, TV (15)	303.04	+0.4	12.70	4.25	10.11	301.83	297.76	294.10	295.75	254.63
13	Household Goods (14)	113.98	+0.6	26.47	9.62	4.55	113.31	111.74	111.45	111.33	158.10
14	Motors and Distributors (21)	113.65	+0.3	23.65	8.21	4.99	113.30	112.55	111.63	112.05	109.16
21	CONSUMER GOODS (NON-DURABLE) (173)	219.42	−0.7	18.43	6.95	6.69	220.87	218.87	216.76	216.09	204.92

NEW HIGHS AND LOWS FOR 1979/80

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979-80.

NEW HIGHS (83)

AMERICANS (1)
Baker Internatl.

CANADIANS (1)
Bow Valley

BUILDINGS (2)
Newarthill, Nottingham Brick

ELECTRICALS (6)
Automated Security, Dreamland, Decca, Newmark (Louis), Do. A, Wholesale Fittings

ENGINEERING (3)
Midland Inds., Ward (T. W.), Utd. Engineering

INDUSTRIALS (7)
Applied Computer T., Elson & Robbins, British Vita, Securicor, Cawoods, Sketchley, Diploma

MOTORS (1)
Davis (Godfrey)

NEWSPAPERS (4)
Assocd. News., Intl. Thomson, Daily Mail A, Intl. Thomson Conv.

PROPERTY (1)
Churchbury Estates

SHIPPING (1)
Fisher (J.)

SOUTH AFRICANS (1)
Abercom

TRUSTS (17)
Atlantic Assets, Northern Secs., Berry Trust, Rothschild Inv., Cardinal Defd., Scottish Cities A, Carliol Inv., Viking Resources, Drayton Far Eastern, Akroyd & Smithers, Edinburgh Inv., London Merchant, General Investors, Majedie Invs., Glasgow Stckhldrs., West of England, Moorgate Inv.

OIL & GAS (16)
Aran Energy, LASMO, Attock, Premier Cons, British Borneo, Siebens (UK), Carless Capel, Texaco 4½pc Conv., Charterhall, Tricentrol, Clyde Petroleum, Ultramar, Hunting Petroleum, Ultramar 7pc Conv., Imp. Cont. Gas, KCA

OVERSEAS TRADERS (4)
Harrisons Crosfield, Paterson Zochonis, Inchcape, Do. A N-V

RUBBERS (4)
Barlow Holdings, Harrisons Malaysian, Guthrie, Kuala Kepong

MINES (14)
Free State Dvlpt., Minefields Explrtn., Gold Fields S. Af., North Broken Hill, Jo'burg Cons., North Kalgurli, Selection Trust, Oilmin N.L., U.C. Invest., Pacific Copper, Carr Boyd, Western Mining, Hampton Areas, RTZ

NEW LOWS (8)

AMERICANS (1)
Norton Simon

STORES (1)
Amber Day

ELECTRICALS (1)
Dewhurst A

INDUSTRIALS (2)
Change Wares 12pc Ptg. Pref., Lesney Products

LEISURE (1)
Black & Edgington

TEXTILES (2)
Beckman (A.), Scott & Robertson

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	85	2	3	188	226	36
Corpns. Dom. and Foreign Bds.	24	3	39	71	92	167
Industrials	265	262	869	1,425	1,084	4,471
Financial and Prop.	219	68	212	703	471	1,321
Oils	24	6	13	109	43	63
Plantations	9	6	13	35	24	81
Mines	54	38	57	258	228	259
Others	52	31	81	218	235	361
Totals	732	416	1,287	3,007	2,403	6,759

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Schroder Life Group
Enterprise House, Portsmouth. 0705 27733
International Funds

هكذا من الأصل

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	49.8	52.7	+0.5	1.90
Abbey Capital	36.2	39.1	+0.2	5.61
Abbey General	47.2	50.5	+0.2	5.82
Abbey Gilt & F.I. Tst.	99.7	106.1	+0.5	4.71
Abbey Income	41.4	44.8	+0.2	8.51
Abbey Intl. Bd. Tst.	93.1	97.5	+0.1	5.65
Abbey Inc. Tst. Fnd.	36.8	39.3	+0.4	5.87
Equitas Prog. Trust	70.0	75.7	+0.5	5.70

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314

AHR Gilt & Pref.	89.4	94.1xd	.....	12.67

Allied Hambro Group (a)(g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	77.5	82.9	+0.5	5.79
Brit. Inds. Fund	69.8	74.7	+0.4	6.02
Growth & Income	41.3	44.2	+0.4	5.70
Elect. & Ind. Dev.	38.0	40.7	+0.3	5.16
Allied Capital	77.0	82.4	+0.4	5.34
Hambro Fund	117.9	126.2	+0.7	5.83
Hambro Acc. Fund	144.8	154.9	+0.9	5.42
Income Funds				
High Yield Fd.	68.6	73.4xd	+0.3	10.08
High Income	71.1	76.3	+0.5	7.75
A. H. Eq. Inc.	40.8	43.7xd	+0.3	7.99
International Funds				
International	29.4	31.5xd	+0.3	3.76
Pacific Fund	45.3	48.5xd	+0.3	2.55
Secs. of America	61.4	65.7	+0.6	2.13
Specialist Funds				
Smaller Co.'s Fd.	47.8	51.1xd	+0.1	4.60
2nd Smlr. Co's Fd.	57.1	61.1	+0.2	4.66
Recovery Sits.	114.9	122.9	+0.8	6.37
Met. Min. & C'dty.	59.2	63.3	+0.4	4.66
Overseas Earnings	58.9	63.0	+0.3	5.40
Exempt Funds				
Far East Exempt	53.8	55.9	+0.3	3.17
Smaller Co. Exempt	73.8	77.5	+0.2	5.03
U.S.A. Exempt	108.6	112.9	+0.6	3.10

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Dis. Inc. Feb. 8	210.2	224.2	+10.1	5.31

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	16.8	18.6xd	.....	6.21
Gt. Winchester O'seas	19.6	21.8xd	.....	2.52

Emson & Dudley Tst. Mngmnt. Ltd.
20 Albemarle St., W1. 01-499 3211

Emson Dudley Tst.	76.4	82.2	+7.8	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	75.7	79.6	.....	4.94

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4971

American	27.2	28.6	+0.3	1.0
Fixed Interest	25.4	26.8	.....	12.2
Growth + Income	28.8	30.4	+0.1	7.95
Special Sits.	29.0	30.5	+0.3	3.00

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	28.2	30.3	.....	2.36
Accum. Units	34.2	36.8	.....	2.36
J. Finlay High Income	33.3	35.8	.....	9.53
J. Finlay Euro. Fin.	23.3	25.0	.....	3.40
Accum. Units	28.2	30.5	.....	3.40
J. Finlay Fd. In. Tst.	31.5	33.9	.....	6.31
Accum. Units	38.0	40.9	.....	6.31

Prices on February 6. Next dealing February 13.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American	53.9	58.3	.....	1.25
American Turnaround	53.4	56.8	.....	2.00
Capital Tst.	53.0	56.2	+0.2	4.81
(Accum. Units)	53.0	56.2	+0.2	4.61
Extra Income Trust	47.6	50.6	+0.2	10.40
Income Tst.	37.6	39.8	+0.2	8.26
Int. Growth Fd.	44.8	47.6	+0.6	2.11
(Accum. Units)	47.2	50.2	+0.5	2.11

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	49.8	53.2	+0.4	4.78
Do. Accum.	68.5	73.1	+0.4	4.78

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Jan. 31	113.9	117.2	.....	4.95
Gross Inc. Jan. 31	76.3	76.5xd	.....	10.84
High Yield Jan. 31	87.3	90.2	.....	10.01

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16 Finsbury Circus, EC2M 7DD 01-628 8131

INSURANCE PROPERTY BONDS

OFFSHORE & OVERSEAS FUNDS

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1979-80 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
99 15/16	95 7/8	Treasury 9pc 1980‡‡	99 13/32	......	9.05	15.83
99 3/8	95 1/2	Treasury 9½pc '80‡‡	98 5/16	+1/16	9.68	16.59
97	92 3/4	Treasury 3½pc 77-80	96 1/8	+1/8	3.64	15.32
97 1/8	92 7/8	Funding 5¼pc '78-80‡‡	96 1/2	+1/8	5.46	16.27

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

1979-80 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
103¼	96	FFI 13pc 1981	97	+¼	13.41	16.37
108¼	93½	Do. 14pc '83	93½	......	14.14	16.30
86½	77½	ICFC 5½pc Deb. '80-82	82½	......	6.84	14.78
85	69	Do. 6¼pc Db. '81-84	73	–½	8.76	14.90
99	79½	Do. 10¼pc Uns.Ln. '86	85½	+½	12.45	14.55
99	77	Do. 11pc Uns.Ln. '88	85	+1	13.13	14.10
101½	80	Do. 11¾pc Uns.Ln. '90	85½	+½	13.96	14.85
72½	54½	Do. 7¼pcADeb. '89-92	59	......	12.64	14.70
69	51½	Do. 7¼pcA Db. '91-94	58¾	......	13.14	14.90
72	64	Do. 9pc'A' '91-94	69½	......	13.68	14.80
78½	61	Do. 8½pc Ln. '92-97	62½xd	......	14.20	14.85
102	85	Do. 12½pc Uns. Ln. 1992	93½	+1½	13.99	

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

1979-80 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
110	59	Clive Dis'nt 20p	72	......	5.33	—	10.6	—
224	121	Com'l Aus. ($A1)	151	+2	†Q18c	3.0	6.2	5.3
*£17	862	Com'zbk DM 10	910	......	Q26.6%	—	7.6	—
£18½	900	C'hgn. Hbk. Kr100	975	......	Q12%	—	10.5	—
41	20	Corinthian 10p	35	......	†1.05	5.9	4.3	4.0
£24¾	£15	Cred. France F75	£17¼	......	Q9.87%	—	3.8	—
13	5	Dawes (G. R.)	13	......	—	—	—	—
*£119½	£62½	Deutsche Bank DM50	£66½	......	Q28.12%	—	5.5	—
90	55	F. C. Finance	63	......	2.2	4.9	5.0	5.8
17	5¼	First Nat. 10p	14¼	–¼	—	—	—	0.9
4	1½	Do. Wrrts. 75-83	1¾	–¼	—	—	—	—
266	178	Gerrard Natnl	225	......	†9.12	—	5.8	—
80	38	Gibbs (A.)	78	......	2.2	—	4.0	—

BANKS & HP—Continued

Hire Purchase, etc.

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[illegible]

INSURANCE

[illegible]

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PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

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[illegible]

SHOES AND LEATHER

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[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

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Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

FINANCE, LAND—Continued

[illegible]

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[illegible]

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[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

MINES—Continued

CENTRAL AFRICAN

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
430	97	Coronation	385	−5	Q54c	2.2	8.0
680	132	Falcon Rh.50c	640	−20	Q100c	1.7	10.8
48	11	Rhod. Corp. 16⅔p	41	......	0.5o	6.5	2.0
267	70	Roan Cons. K4	220	−2	Q0.125	ϕ	3.5
67	26	Wankie Col. Rh.1	56	......	Q9c	1.5	11.1
57	9	Zam.Cpr.SBD0.24	47	−2	—	—	—

AUSTRALIAN

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28	16	Acmex 50c	23	......	—	—	—
18	4	ACM 20c	16	......	—	—	—
115	50	Bond Corp.	110	......	Q3.75	2.2	1.7
215	100	Bougainville 50 Toea	215	......	[illegible]	ϕ	9.6
265	84	BH South 50c	215	+5	—	—	—
12	12	Canada North-west	12	......	—	—	—
28	8	Carr Boyd 20c	23	+3	—	—	—
£25	340	Central Pacific	£23½	+1½	—	—	—
316	170	Coppers Pacific 50c	318	+20	NQ10c	2.0	1.6
36	14	Cultus Pacific N.L.	22	......	—	—	—
50	[illegible]	Eagle Corp. 10c	40	......	—	—	—
23½	11	Endeavour 20c	23	[illegible]	—	—	—
252	62	G.M. Kalgoorlie 25c	246	−6	‡Q3c	—	0.6
330	148	Hampton Areas 5p	330	+5	3.5	2.8	1.5
75	20	Haoma Gold N.L.	35	......	—	—	—
72	25	Metals Ex. 50c	66	−2	—	—	—
306	134	M.I.M. Hldgs. 50c	295	......	[illegible]	1.8	2.8
32	15	Minefields Expl.	32	+7	—	—	—
142	30	Mount Lyell 25c	132	+2	—	—	—
44	13	Newmetal 20c	22	......	—	—	—
185	91	North B. Hill 50c	185	+21	Q12c	1.4	3.5
71	45	Nth. Kalgurli	71	+5	—	—	—
165	45	Nth. Mining Corp.	132	−8	—	—	—
[illegible]							

TINS

[illegible]

COPPER

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
192	55	Messina R0.50	187	−3	Q10c	ϕ	3.1

MISCELLANEOUS

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
81	54	Barymin	76	......	—	—	—
14½	10	Burma Mines 17½p	13½	......	—	—	—
460	170	Cons. Murch. 10c.	412	......	Q100c	ϕ	13.9
585	280	Northgate C$1	535	......	—	—	—
423	226	R.T.Z.	423	+5	†11.5	3.4	3.9
31	12	Robert Mines	24	−1½	—	—	—
65	26	Sabina Inds. C$1	53	+3	—	—	—
880	470	Tara Exptn. $1	545	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ‡ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim; reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♦ Excluding a final dividend declaration.
- ✦ Regional price.
- ‖ No par value

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. *f Flat yield. g Assumed dividend and yield. h Assumed dividend and* yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to *30p in the £. w Yield allows for currency clause. y Dividend and yield* based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or *other official estimates for 1978-79. K Figures based on prospectus* or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution

" Recent Issues " and " Rights " Page 24

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	27	......
Bertam	18	......
Bdg'wtr. Est. 50p	353	......
Clover Croft	58	......
Craig & Rose £1	£201½	......
Dyson (R. A.) A	16	......
Fife Forge	38	......
Finlay Pkg. 5p	18	......
Graig Ship. £1	£101½	+½
Higsons Brew	75	......
Holt (Jos.) 25p	255	......
I.O.M. Stm. £1	160	−2
Pearce (C. H.)	385	......
Peel Mills	37	......
Sheff. Refrshmt	98	......
Sindall (Wm.)	165	......

IRISH

Conv. 9% '80/82	£86⅛xd	......
Nat. 9¾% 84/89	£71¼	......
Fin. 13% 97/02	£85½	......
Alliance Gas	56	......
Arnott	375	......
Carroll (P.J.)	54	+2
Clondalkin	100	+2
Concrete Prods.	83	......
Heiton (Hldgs.)	39	......
Ins. Corp.	200	......
Irish Ropes	55	......
Jacob	35	......
T.M.G.	105	+5
Unidare	88	......

OPTIONS

3-month Call Rates

[illegible]

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Saturday February 9 1980

MAN OF THE WEEK

Bid and counter bid

BY JOHN LLOYD

THE FIERCE and quickfire bidding war between the General Electric Company (GEC) and Racal over the past week for control of Decca has inevitably been personalised in terms of a joust between GEC's managing director, Sir Arnold Weinstock, and Racal's chairman, Mr. Ernest Harrison. It is an index of Mr. Harrison's rapid rise in the industry that no one has used the image of David and Goliath to sum up the contest.

Freddie Mansfield

Mr. Ernest Harrison
Not a David to Sir Arnold Weinstock's Goliath

Mr. Harrison took the chair in 1966, when Racal's co-founder, Sir Raymond Brown, joined the Ministry of Defence: he had joined the group as chief accountant in 1951, and become deputy managing director in 1961.

At that time, profits stood at £731,000: last year, they were £61.6m on sales of £225.3m, a rise virtually unrivalled in UK industry over that time. Though Mr. Harrison has stressed the debt he owes to his managers and workers, he has inevitably enjoyed much of the fruits of success, especially in the City.

The remarkable growth his company has achieved has been based on rigorous specialisation on the cornerstone of its business, a high-performance HF radio receiver which became an international standard, and which has maintained its quality. On that foundation, the company has developed specialised aviation communication equipment, and a range of manpack radios. Following the acquisition of the UK company Control and Communication in 1969, Racal developed the VHF Clansman manpack, which has been a major success.

Racal made a further move in 1969, which took it into a quite different product area. It formed a joint venture with the U.S. modem company Milgo, buying out Milgo in 1977. This brought the company squarely into the data communications sector, a move strengthened by the acquistion of Vadic, also in the U.S., in 1978.

Radio communications and data communications are now the company's two great strengths in products: underpinning the technical capability is an aggressively export-oriented marketing operation which has been able to take on world competition in its fields, and beat it. The ability to combine product quality with effective marketing is not as rare in British companies as Press comment often suggests — but the scale of Racal's success is.

It is on these 14 years of achievement which Mr. Harrison now rests his claim to become a "second force" to GEC. The claim is creditable not so much in terms of present size—Racal's sales are one-tenth of GEC's, and one-third of GEC-Marconi's, the division most concerned with the Decca bid—as in terms of the power within the company to win markets which, it is assumed, would not be seriously diluted with growth.

Certainly, Mr. Harrison has shown no lack of ambition. He expressed a serious interest in Plessey two years ago: though talks came to nothing, the possibility remains in his mind. It is assumed that when the National Enterprise Board's 50 per cent stake in Ferranti is sold off—probably not for some months yet—he will be an interested party. In the tidal ebbs and flows of opinion on what constitutes a restructuring of the UK electronics industry, Mr. Harrison's rock is now always as visible, if smaller, than Sir Arnold's.

The two men have some similarities: the expertise of both lies in finance: both are extrovert (though Sir Arnold's direct forcefulness is generally hidden from view): both are self-made men, and proud of it: both are wholly in command of their companies.

Carter plans to put women on call-up

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT CARTER yesterday proposed the registering of young American women for non-combat military service, as well as young men for combat duty, if tensions with the Soviet Union warranted a call-up.

The Government would start by registering 19 and 20-year-olds of both sexes—those born in 1960 and 1961. But each individual would be required to register on his or her 18th birthday, under Mr. Carter's phased-in scheme.

The proposal will be put in detail to Congress on Monday. It followed the President's general statement of intent in his state of the union address to introduce draft registration as a means of speeding up any future mobilisation.

Mr. Catrer made it clear his move was not only designed to increase American military preparedness in a practical way, but also to send a signal to the Kremlin "of our resolve as a nation" to stop Soviet aggression spreading further than Afghanistan.

Mr. Carter hinted he was well aware that his proposed inclusion of women in the registration programme could touch off a storm of domestic controversy.

His rivals for the Democratic nomination, Senator Edward Kennedy and Governor Jerry Brown, have both come out against the registration plan.

Roger Boyes, in Bonn, adds: The Western allies are still seriously divided over proposals for a special meeting of foreign ministers this month to discuss the Soviet invasion of Afghanistan.

France has officially declared its opposition to a proposed meeting of Britain, France, the U.S., West Gearmany and Italy, while Bonn Government officials have also indicated there is considerable disagreement over the date and arrangements.

U.S. officials said yesterday that Mr. Cyrus Vance, Secretary of State, was planning to meet foreign ministers from Europe and Japan later this month to discuss the prospect of a joint aid package to Pakistan and other measures to restore the balance of power in the Gulf and the Indian Ocean area. Mr. Vence is due to visit Bonn on February 20 for consultations with Herr Hans-Dietrich Genscher, the German Foreign Minister, and it was initially mooted that other foreign ministers would later join in the discussions.

This plan appears to have stumbled on a number of problems. France has said such a meeting would not be a suitable way of reducing international tension.

Bonn feels that a seven-nation meeting, as conceived by the U.S., would prove too cumbersome, and officials have also dismissed the notion of a summit meeting in the near future. A summit at this stage could end up magnifying the differences in the alliance.

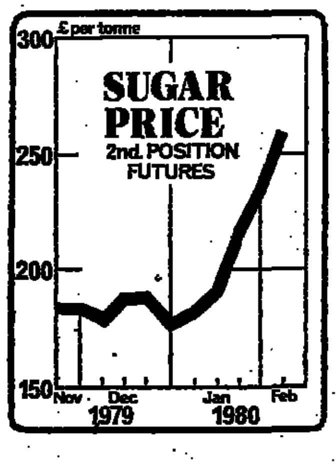
But it is clear that a series of decisions will have to be taken by the West in the next fortnight, whatever the forum. The nine EEC foreign ministers are due to meet on February 19 to discuss, among other things, the Afghanistan crisis, while on February 20, the U.S. Olympic boycott ultimatum to the Soviet Union runs out.

Sugar futures up £26

BY RICHARD MOONEY

THE LONDON sugar market yesterday staged its biggest upsurge since the 1974-75 boom following reports that Cuba's crop would be 1m tonnes down this year due to disease and other problems.

The May futures position leapt to £265 a tonne at one stage before ending the day £26.25 up at £259.625 a tonne. The price has risen £80 a tonne since the beginning of this year. Trading yesterday was the heaviest in the market's history with turnover totalling just over 1m tonnes.



Some traders questioned the basis for the rise. They pointed out that the Cuban crop forecast, which has only just been published, was made by Cuban President Fidel Castro as long ago as December 27. According to a new agency report, President Castro said the crop would be 1m tonnes lower "but gave no details of the current crop."

This obvious inconsistency led some London dealers to suspect that someone might have got something wrong somewhere along the line. They said last year's crop was known to have totalled about 8m. tonnes.

Other factors that may have encouraged the upsurge included news that the Dominican Republic, a sizeable producer, had withdrawn from the market "until prices improved," and rumours that a leading trading house was in financial difficulties.

The rise makes it virtually certain that the International Sugar Organisation will release 830,000 tonnes of its reserve stocks on to the market following an executive board meeting next Tuesday. If prices remain at present levels, the whole stockpile of 2m tonnes could be released by the end of this month.

Under the terms of the International Sugar Agreement the stockpile has to be released progressively when the 15-day average sugar price moves above 19 cents a pound, with more stocks being released when 20 cents a pound is passed, and still more when the price rises above 21 cents. The price is already above 21 cents but it will have to remain there for a week or two to trigger the release of the whole stockpile.

Bleak outlook on farm incomes

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE MINISTRY of Agriculture's review of British agriculture last year, published in a White Paper yesterday, makes bleak reading for farmers.

It forecasts that net income for the year will fall 5.5 per cent at present prices or 17 per cent in real terms. Part of the decrease was the result of the harsh weather in the spring of last year but there was also a 13 per cent increase in the cost of supplies which was not matchd by increased prices for farm products.

Except for cereals, production was static and in the case of beef was slightly reduced. Pigmeat output was up 6 per cent but it seems set to fall again.

Farms are getting bigger, the review shows. There were 4 per cent fewer farms last year compared with 1975 and big farming businesses, although representing no more than 10 per cent of farmers, are now responsible for about half of total output.

The income figures are based on the average for the UK. Other statistics based on sample farm accounts show increases in income of 33.5 per cent in England, 21 per cent in Wales and 3 per cent in Scotland.

The sample accounts probably come from the better and more business-like farmers, so they probably reflect a better picture than that given by the National Farmers Union.

Mr. Richard Butler, president of the NFU, said yesterday that the squeeze on farmers' margins was likely to result in a fall in production. He forecast a reduction of both milk and beef production unless a rise in farm prices was secured in the 1980 EEC Review with significant adjustments to the UK price guarantees.

He also called for a further devaluation of the green pound, even if the result should be temporary export subsidies and import levies.

Mr. Peter Walker, the Agriculture Minister said in a Parliamentary answer that after three green pound devaluations and increases in the price of milk, with the increased hill farm subsidies, British farmers should be able to compete fairly in the European market.

He has opposed any price increases in the next EEC Review for the commodities which are in surplus.

Big setback for Polish economy

BY CHRISTOPER BOBINSKI AND ANTHONY ROBINSON IN WARSAW

POLAND REGISTERED an unprecedented 2 per cent decline in its national income last year as the economy suffered under the combined weight of a bad harvest, debt repayment obligations, import restrictions, and the side-effects of bad economic planning.

The figures, released yesterday by the Central Statistical Office, are the worst in a grim series of results from Eastern Europe. They provide a sombre backdrop to next week's eighth Communist Party Congress, and raise fresh doubts about Poland's ability to service its $18.5bn (£8bn) foreign debt without some form of rescheduling.

Poland is expected to seek new loans amounting to $5bn this year to finance its current account deficit and service its existing debt.

Industrial production rose only 2.8 per cent last year, compared with the target of 5.8 per cent, while labour productivity rose by 3.3 per cent against a 5 per cent target.

Investment has been cut to divert resources into exports—which rose 12.2 per cent—to service the debt, and into consumption to lessen the political impact of the economic crisis.

The overall foreign trade deficit last year fell by 2.4bn exchange zlotys ($790m) to 3.9bn zlotys ($1.3bn).

Trade turnover with the hard currency area rose 8.7 per cent. Exports rose 12.9 per cent while imports rose by 5.6 per cent, reducing the hard currency deficit by $300m to $1.4bn.

Last year's bad harvest contributed to a 1.4 per cent drop in agricultural output overall and cut the grain crop by 20 per cent to 17.3m tonnes and sugar beet by 10 per cent.

The shortfall is being made good by the import of 9m tonnes of mainly U.S.-supplied grain, and a 6 per cent increase in the potato crop. The number of cattle dropped by 0.6 per cent and pigs by 2.3 per cent from last June.

Battle for Decca

Continued from Page 1

tunity for growth will enhance employment prospects."

The strongly-worded statement came in response to the reaction by Mr. Nigel Graham Maw, Decca's new chairman, to GEC's first offer. He said then that he would be seeking assurances about staff and that the position of employees would be an important issue.

Decca employees are known to have been worried that GEC might be ruthless in pruning products and staff.

As the two contestants continued to bid against each other Decca announced a special meeting of its shareholders on February 25 to approve the sale of its music businesses to PolyGram.

At the same time it announced that it intended to raise another £1.08m by selling its half shares in two European recording companies to Mrs. Sara Dimenstein, wife of one of Decca's directors and the daughter of Mr. Maurice Rosengarten, a former director of Decca, who set up the two companies as a joint venture with Decca.

The main assets of the two companies, called Vadoz and Glaurus, are a joint venture with AEG-Telefunken in TELDEC, a record manufacturing and marketing company.

Inquiry victory for Callaghan

BY PHILIP RAWSTORNE

LABOUR'S commission of inquiry decided yesterday to give top priority to rebuilding the party's membership and finances. This is a significant success for Mr. James Callaghan, the party leader, in his attempts to check the Left's bid for power.

The constitutional issues at the centre of the party's Left-Right conflict appear likely to be pushed well down the commission's agenda.

But the inquiry, at Mr. Callaghan's insistence, may investigate Trotskyst infiltration of the party if its national executive continues to reject demands for action.

There were signs at yesterday's first full meeting of the inquiry team that Mr. Callaghan was establishing a working alliance with the trade union members of the commission, which could determine the course of the inquiry.

At Mr. Callaghan's suggestion the meeting agreed without a vote to appoint three co-chairmen, Mr. David Basnett, general secretary of the General and Municipal Workers Union; Mr. Michael Foot, deputy leader of the Labour Party; and Mr. Eric Heffer, MP for Liverpool, Walton—who will preside in turn at successive meetings of the commission.

Three panels were set up to carry out the other detailed work of the investigation.

Mr. Moss Evans, general secretary of the Transport and General Workers' Union, will head the team inquiring into party membership and organisation; Mr. Clive Jenkins, general secretary of the Association of Scientific, Techniral and Managerial Staffs, will lead the inquiry into party finances; and Mr. Anthony Wedgwood Benn, MP for Bristol South-East, will be chairman of the group examining political education and communication.

A further move in Mr. Callaghan's favour was the decision that at least two MPs would be co-opted to each of the panels.

Mr. Callaghan, in concert with the union leaders, is now in a position to regain the initiative, though the national executive will consider later this month whether it should demand another representative on the commission in place of Mr. Alex Kitson, the Left-wing deputy general secretary-designate of the Transport and General Workers Union, who resigned last week.

Weather

UK TODAY

MAINLY cloudy, rain: brighter in W. later: mild.

London, S., S.E. England, E. Anglia, Midlands, Channel Isles
Rain, hill and coastal fog. Max. 9 or 10C (48 to 50F).

E., N., N.E. England
Bright intervals, rain later. Max. 8C (46F).

S.W., N.W. England, Wales, Lakes, I. of Man
Rain, heavy in places, brighter later. Max. 8 or 10C (46 to 50F).

Borders, Edinburgh, Dundee, Aberdeen, Cent. Highlands, Moray, N.E. Scotland
Showers, bright intervals. Max. 6C (43F).

S.W. Scotland, Glasgow, Argyle, N.W. Scotland, N. Ireland
Rain, bright intervals. Max. 7 to 8C (45 to 46F).

Outlook: Rain; becoming dry with sunny periods.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	14	57	Locarno	S	10	50
Algiers	S	18	64	London	C	10	50
Amsdm.	R	9	48	Luxmbg.	F	8	46
Athens	C	15	59	Luxor	F	24	75
Bahrain	S	20	68	Madrid	C	9	48
Barclna.	C	13	55	Majorca	C	14	57
Beirut	F	18	64	Malaga	F	15	59
Belfast	F	10	50	Malta	S	16	61
Belgrd.	C	4	39	M'chstr	C	11	52
Berlin	C	4	39	Melbne.	R	17	63
Biarritz	F	19	66	Mex. C.	S	18	64
Bmghm.	R	11	52	Milan	Fg	4	39
Blackpl.	C	9	48	Mntreal.	S	−10	14
Bordx.	F	14	57	Moscw.	Sn	−11	12
Boulgn.	C	10	50	Munich	C	8	46
Bristol	R	11	52	Nairobi	S	24	75
Brussels	C	11	52	Naples	S	14	57
Budpst.	S	8	58	Nwcstl.	C	7	45
B. Aires	S	28	82	N. York	S	2	36
Cairo	C	20	68	Nice	S	15	59
Cardiff	R	10	50	Nicosia	C	17	63
Cape T.	C	24	75	Oporto	C	12	54
Chicago	Sn	−1	30	Oslo	S	−5	23
Cologne	C	6	43	Paris	C	8	46
Cphgn	Sn	−4	25	Perth	S	35	95
Corfu	F	13	55	Prague	C	8	46
Dublin	R	11	52	Reykjvk.	F	1	34
Dbrvnk.	S	15	59	Rhodes	R	16	61
Edinbgh.	Sn	1	34	Rio J'o	S	29	84
Faro	C	16	61	Rome	S	15	59
Florence	F	13	55	Salzbrg.	F	10	50
Frankft.	C	6	43	Singapr.	S	31	88
Funchal	C	18	64	Stckhm.	C	−1	30
Geneva	S	6	43	Strasbg.	C	10	50
Gibrltr.	C	15	59	Sydney	S	27	81
Glasgow	C	5	41	Tehran	S	7	45
G'nsey	C	10	50	Tel Aviv	F	16	61
Helsinki	S	−14	7	Tenerife	S	21	70
H. Kong	C	16	61	Tokyo	C	5	41
Innsbrk.	S	4	39	Toronto	S	−4	25
Invrnss.	R	8	46	Tunis	F	15	59
I.o.Man	C	8	46	Valencia	S	15	59
Istanbul	C	14	57	Venice	S	10	50
Jersey	C	10	50	Vienna	C	10	50
Jo'burg	C	23	73	Warsaw	R	1	34
L. Plms.	S	25	77	Zurich	S	8	46
Lisbon	C	18	64				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

THE LEX COLUMN

Putting a value on Decca

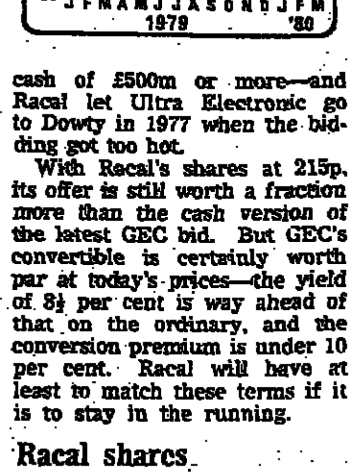
Two weeks ago, Decca was heading happily into Racal's arms at an agreed price of under £65m. Three bids later it is now considering an offer from GEC worth nearly £98m, with the prospect of more to come from Racal on Monday morning. It is true that there is all the difference in the world between negotiating from a position of financial weakness with only one prospective buyer, and being the object of the strategic ambitions of two powerful rivals. All the same, the going price for Decca now seems to be getting quite close to the upper limit of what the company is worth and what Racal, at least, can afford.

The numbers are becoming familiar. Decca's net asset value is roughly £60m, and so are its borrowings after allowing for the sale of the music business to PolyGram. The turnover of the capital goods division, which is what both GEC and Racal are after, is currently running at around £115m a year, and both sides seem to think that this business could be capable of producing something between £15m and £20m in a couple of years time. For the time being, though, Decca is in the red, and while both bidders are protesting that they will maintain the integrity of the business, there is little doubt that the winner is going to have to take some decisions which will be expensive in the short term.

GEC suggests that it could make more out of the acquisition than could Racal because of the close association which already exists between GEC-Marconi and Decca. The two companies would be able to put new business in each other's way, and would be better equipped to fight in the international markets against some very large and powerful overseas competitors. On the other hand, Racal needs Decca's microwave technology in order to provide the total communications systems that an increasing number of its customers are requiring. If it wins the day, there is no doubt that it will present strong competition for Marconi both at home and abroad.

For these reasons, both bidders argue that the auction price has not yet reached the realms of fantasy. And their past records suggest that they will not get swept away by the excitement of the contest. GEC has never been one to fling its money around—it currently has

Index fell 1.5 to 461.4



cash of £500m or more—and Racal let Ultra Electronic go to Dowty in 1977 when the bidding got too hot.

With Racal's shares at 215p, its offer is still worth a fraction more than the cash version of the latest GEC bid. But GEC's convertible is certainly worth par at today's prices—the yield of 8½ per cent is way ahead of that on the ordinary, and the conversion premium is under 10 per cent. Racal will have at least to match these terms if it is to stay in the running.

Racal shares

A great deal now rests on Racal's own share price, which has so far shown considerable resilience. It cannot afford to push out a great deal more cash into its next package, since if its last offer had been successful it would have been left with net borrowings of roughly £100m to set against shareholders' funds of around £160m. If it is to match GEC with an all-share offer, it will have to be ready to issue some 42m new shares, and increase its outstanding equity by over 18 per cent.

Fortunately, 1980-81 promises to be a good year for Racal, and so if it bought Decca on such terms it could still show a measure of earnings growth in that year even if Decca contributed virtually nothing. Moreover, the institutions like its shares, and some of them currently own a lower proportion than might be considered ideal for a company of Racal's size and growth status. Yet there is a limit to the amount of dilution that its shares can face without being seriously tested in the market place.

On that basis, instinct says that the current price for Decca is within 10 or 20 per cent at most of the maximum which anyone will pay. Of course anything can happen in a takeover bid—as anyone who took profits when Decca agreed to Racal's first offer now knows to his cost. But there is another major uncertainty still to be resolved, which is the continuing possibility of a reference of both bids to the Monopolies Commission. This will be a straightforward political decision—and is therefore quite unpredictable. For what it is worth, City opinion seems to be that there is something like a 40 to 50 per cent chance of a reference. Given what might happen to Decca's share price in such circumstances, small shareholders must now consider some partial profit taking.

Gilt-edged

In so far as it managed not to be entirely floored by a beastly set of banking figures, the gilt-edged market has performed quite creditably this week. But its behaviour yesterday showed just how fragile it remains.

The market's strength in the morning was dominated by demand for War Loan, which runs a close second to Consolidated Gold Fields shares as an indicator of foreign interest in the London stock market. The breakdown in the steel talks provided an excuse for a fall. After hours, several investors tried to sell into the firmness that would normally have resulted from the absence of a new tap stock, which prevented any firmness from developing.

A number of funds still seem to have rather more stock on their books than they would like, and they will probably try to return to a neutral weighting by the time of the Budget. There may be loose holders of the last long tap looking to sell before the £450m call next Friday.

This call will aggravate the continuing shortage in the money market, where last night weekend money was bid up to 20 per cent. The coming week brings both the wholesale and retail price indices for January: the City has braced itself for unpleasant figures, but overseas investors of gilts may get a nasty surprise.

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